PANORAMIC
RESOURCES LTD

VISION | COMMITMENT | RESULTS

2013 ANNUAL REPORT

CONTENTS

ABOUT US

Panoramic Resources Limited is a well-established Western Australian mining company operating two 100% owned underground nickel sulphide mines, the Savannah Project in the East Kimberley and the Lanfranchi Project near Kambalda, Western Australia which make up our Nickel Division.

Over the past two years, Panoramic has added gold, platinum and palladium to our asset base as part of our stated strategy designed to diversify our income stream and build a sustainable future for the Company. The Gold Division includes the Gidgee Gold Project near Wiluna and the Mt Henry Gold Project (70%) located south of Norseman, Western Australia. The PGM Division includes the Panton PGM project located in the Kimberley region of Western Australia, near Savannah and the Thunder Bay North PGM Project in northern Ontario, Canada. We also have a large and prospective suite of gold, PGM and base metal exploration projects in Western Australia, Scandinavia and Canada.

Panoramic is an S&P/ASX 300 Index company with a strong balance sheet, minimal bank debt and a growing nickel, gold and PGM resource base, employing over 400 people (including contractors).

The Company's vision to broaden our production base, with the aim of becoming a major, diversified mining house targeting inclusion in the S&P/ASX 100 Index and is being led by an experienced exploration-to-production team that have been successful in establishing Panoramic's nickel business and in securing our gold and PGM assets.

CHAIRMAN'S REPORT

Dear Shareholders,

Notwithstanding some rare exceptions, it was not much fun being a shareholder in small cap Australian mining stocks over the past 12 months. With echoes of the global financial crisis continuing to limit demand for metal in Europe and USA, and question marks over China's growth, metal prices have remained volatile.

In the last quarter of the year and the first quarter of the new financial year, the green shoots that show re-invigoration of confidence in the Australian resources sector has commenced, including:

- The growing confidence in the USA's economic recovery and at the same time a realisation that the Australian economy is stalling, hence the decision by the RBA to lower interest rates. This has resulted in the Australian currency falling from around \$1.05 to \$0.90, a 15% reduction over the last six months. Given our revenue is priced in US\$, our revenue lifts by approximately A\$2.5million per annum for each one cent fall in the US\$:A\$ exchange rate. We believe that the A\$ will continue to weaken as the USA recovery gains momentum.
- Falling metal prices during the 1st half of 2013 forced most producers to re-evaluate their capital programs, and to focus on the current and long-term cost of producing a unit of metal. Over several years of relatively higher nickel prices, Panoramic wisely completed major capital works programs at its Lanfranchi and Savannah nickel mines which included major ventilation upgrades, paste fill plant upgrades, an accommodation village, major mobile fleet upgrades, significant exploration and selectively acquired gold and PGM assets. Given our existing nickel business underpins the Company's cash flow, tough decisions had to be made to improve productivity and reduce costs; we have lowered salaries and wages, reduced employee numbers, sought cost savings from suppliers and service providers, and focussed on productivity gains while maintaining our focus on safety. The cash generated from our nickel operations has traditionally funded our dividend steam, capital investment, exploration and more recently work on completing feasibility studies on our gold and PGM assets. Our revenue has been adversely affected by the lower A\$ nickel price and we need a higher A\$ nickel price to generate the return needed to fund all of our programs.
- With the curtailment of major resource project developments, the acute shortage of trained, skilled operators and professionals so fundamental to the viability of the mining industry is beginning to ease. With Panoramic's record as an employer of choice, we have been less affected than many employers, and the changing environment does lead to lower staff turnover, less demand for skills training, and improved productivity.

We believe the "winter" of investor interest in the resources industry is showing signs of easing, and not before time. It seems illogical to see mining companies with good management teams, sound operating and/or development assets, trading at or close to their cash backing, presumably because investors are worried about the threat of needing capital to turn their assets into income and dividend producing enterprises. While funding for major mining works often has been sourced overseas, junior and mid cap companies have in the past relied on significant support from the Australian market. Securing capital from conventional sources for mining projects remains a challenge in our industry, but we are seeing a continuing and growing interest and support from China and South-East Asian investors who understand and accept the risks and rewards of mining investment. This pleasing development is reminiscent of Panoramic's early life, when China's premier nickel producer, Jinchuan supported the development of the Savannah (then Sally Malay) nickel mine. That very strong relationship is alive and well today, witnessed by the delivery of 115 shipments of concentrate over the past nine years with an aggregate value approaching \$2 billion....no disputes, no missed shipments, all payments made in full and on time!

Recognising the limitations of being a single metal (nickel) producer, several years ago Panoramic moved to diversify its asset base, leading to the acquisition of gold and platinum group metals assets (PGM).

Work on our two gold projects at Gidgee and Mt Henry in Western Australia will see feasibility studies completed in the next six months. We have already seen the beginnings of the gold price recovery, underpinning the potential of these two projects.

Our PGM projects, Thunder Bay North in Ontario, Canada, and Panton, some 60km south from our Savannah Project in Western Australia, are both made even more attractive with the increasingly positive outlook for platinum and palladium prices.

Accepting that, in a low share price environment, securing equity to develop projects is more than challenging, Panoramic has engaged with both Australian and overseas investors to investigate alternative routes for financing project capital. Proposals ranging from offtake financing, joint ventures through to partial asset sales have been and continue to be considered. Because Panoramic is an operating, cash producing company, there is no imperative to enter a less than optimum arrangement for the development of our assets.

Exploration success is the foundation of our industry. A multi-million dollar mine, treatment plant and supporting infrastructure are worth very little without an ore reserve that can be recovered and the resulting minerals sold. Panoramic is continuing to explore for extensions of the resource bases at both Lanfranchi and Savannah, so that shareholders can be rewarded for their support. A new discovery adds mine life, thus keeping the Company viable through the swings in metal prices and investor sentiment.

Since the beginning of the global financial crisis there has been considerable discussion linking investor confidence with government attitudes to the mining industry, the level of tax and regulation, corporate governance, social responsibility, and many related issues. As a mature, well managed and governed company, Panoramic is able to remain focussed on doing what it does best, accepting and observing the limitations within which we work. We continue to be a sound corporate citizen, and will strive to reward shareholders for their support.

As always, it is my privilege to acknowledge the wonderful work and dedication of our Managing Director, Peter Harold and his team who work tirelessly for the Company. I thank them, and all the other stakeholders who continue to keep us in business.

We are in the mining business. We find, build and operate mines.

Yours faithfully

Brian Phillips
Chairman

MANAGING DIRECTOR'S REPORT

Dear Shareholders,

It was another challenging year for the Company. The weaker US$ nickel price and stronger than anticipated A$ put our margins under significant pressure and sadly, in November 2012, we made some difficult decisions to reduce the workforce by about 5% across the Group and adjust most employees' salaries down by 5% while senior management and the board took a 10% reduction, effective 1 January 2013 in order to get our cost base down. In addition, we engaged with all suppliers seeking assistance to reduce our input costs and contracted GPR Delher, an experienced change management consultancy, to assist us find additional savings and improve productivity. These initiatives have assisted greatly and I am pleased to report our Nickel Division produced 19,561 tonnes of nickel in concentrate/ore for the full year, above guidance of 18-19,000 tonnes, an outstanding result and a great credit to all the operational personnel, especially given the difficult conditions.

Safety is the No.1 value in our business and Panoramic is committed to ensuring the safety, health and wellbeing of all employees. Our people continue to work hard to improve work methods and systems, notwithstanding our Group LTIFR increased from 3.69 to 5.42 over the year to June 2013 which required a rethink of our approach to safety resulting in a "Back to Basics" focus being adopted in early 2013, leading to an improvement in the LTIFR since then.

Sales revenue was impacted by the weaker nickel price and lower shipped tonnages. Average spot nickel for FY2013 was A$7.23 per pound, 15% lower than last year's average of A$8.48 per pound. Aggregate shipments of nickel in concentrate/ore in FY2013 were 4.5% less than FY2012 due to timing of shipments. Despite this, the Nickel Division still managed to generate $23 million in free cash, after corporate costs and greenfield exploration, which is a highly commendable result in what was one of the toughest years I have experienced in my 26 years in the resources sector. I am particularly proud that we were able to maintain our dividend payment track record with a one cent fully franked dividend paid in May. Aggregate fully franked dividend payments now total $104.7 million over the last seven financial years.

FY2014 promises to be another busy year for Panoramic. Both operations have set aggressive but realistic production budgets in order to achieve our Group production guidance of 20,000-21,000 tonnes nickel contained. The focus remains on productivity and cost control. We will continue to look for ways to reduce our operating costs, which we have been very successful in achieving over the past six months. The Bankable Feasibility Studies on both Gidgee and Mt Henry gold projects are progressing well and with the market's renewed interest in gold, we are looking forward to delivering those studies this year. The PGM projects remain pivotal to our diversification strategy and work will continue on flowsheet optimisation during FY2014. Total expenditure on our gold and PGM assets is estimated to be some $3-5 million in FY2014. It remains our objective to develop our gold and PGM projects over the next 2-5 years, subject to robust project economics and receiving all necessary statutory approvals, to diversify our earnings streams and build a multi-commodity, sustainable business.

We remain committed to exploration as a means to significantly increase shareholder value. This year the primary focus of our exploration programs is to add mine life at both nickel operations. The geological teams at both sites have identified various targets to be tested and $7.5 million has been allocated to exploration expenditure for FY2014, most of which is allocated to near mine nickel exploration. There are also funds budgeted for work on the gold and PGM projects, and to drill test one of five targets identified from an airborne electromagnetic survey of the Nordgruva Copper Zinc prospect in Norway.

The Board of Panoramic remains optimistic in relation to the medium to long term outlook for the world economy and therefore commodity prices, while we are expecting the A$ to continue to depreciate against the US$ which will assist us. The Board and management are committed to ensuring our nickel operations remain competitive, whilst at the same time, ensuring we have the building blocks in place to grow the Company in accordance with our Ten Year Plan, which is to:

- **Improve our safety culture** so every employee believes that safety is our most important value in line with our safety mantra: Vision, Commitment, Results;
- **Optimise our metal production** to maximise our margins;
- Grow the existing Resource and Reserve base to extend the mine life of our operations;
- **Maintain dividend payments** subject to generating sufficient free cash flow and taking into account future funding requirements; and
- **Develop our pipeline of projects** to become a diversified mining house and an S&P/ASX 100 Company

The success of our Company is primarily due to our dedicated workforce and I would like to thank the Board and all employees and contractors for their hard work and commitment again this year. I would also like to thank all our shareholders, other stakeholders and our two customers, the Jinchuan Group and BHP Billiton Nickel West for their ongoing support.

As always, I urge all our staff and contractors to adopt and embrace our safety mission statement to ensure we get everybody "**home safely every day**".

Yours faithfully

Peter Harold
Managing Director

DIRECTORS' REPORT

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

The directors present their report on the consolidated entity consisting of Panoramic Resources Limited and the entities it controlled at the end of, or during the financial year ended 30 June 2013.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows (directors were in office for the entire period unless otherwise stated):

Brian M Phillips (Non-Executive Chairman)

AWASM-Mining, FAusIMM, MIMMM,

Appointed 27 March 2007; Non-Executive Chairman from 17 November 2011

Brian Phillips is a mining engineer who has had extensive mining industry experience in operational and management roles over a 50 year period. Brian has worked as an executive, and on the boards of mining companies in Australia and overseas involved with copper, gold, nickel, mineral sands and coal. He is a former non-executive director of the Australian Gold Council and past President of the Victorian Chamber of Mines (now the Minerals Council of Australia – Victorian Division).

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

- Indophil Resources NL (Non-Executive Director from 1 April 2005 and Non-Executive Chairman from 21 April 2005)*
- White Rock Minerals Ltd (Non-Executive Chairman from 26 March 2010)*

**Denotes current directorship*

Peter J Harold (Managing Director)

B.AppSc(Chem), AFAICD

Appointed 16 March 2001

Peter Harold is a process engineer with over 26 years corporate experience in the minerals industry specialising in financing, marketing, business development and general corporate activities. Peter has extensive experience with the development and operation of both sulphide and laterite nickel projects having been responsible for metals marketing and various corporate functions relating to the Scuddles/Golden Grove copper lead zinc mine, Cawse nickel laterite project and the Silver Swan and Mt Keith nickel sulphide projects. Peter held various senior management positions with Shell Australia, Australian Consolidated Minerals Limited, Normandy Mining Limited, MPI Mines Limited and the Gutnick network of companies prior to founding Panoramic Resources Limited (formerly Sally Malay Mining Limited) in March 2001.

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

- Alloy Resources Limited (Non-Executive Chairman from 15 September 2005)*
- TUC Resources Limited (Non-Executive Chairman from 1 March 2007)*
- Pacifico Minerals Limited (Non-Executive Director from 19 August 2013)*

**Denotes current directorship*

Christopher D J Langdon (Non-Executive Director)

B.Com (Econ)

Appointed 4 August 2004

Christopher Langdon has over 25 years of corporate finance and management experience and has had extensive experience in investment banking in Australia and overseas working for Wardley Australia Limited, James Capel & Co. and Samuel Montagu & Co. specialising in cross border corporate advisory. Chris is the Chief Executive Officer of HJ Langdon & Co., a family owned business based in Melbourne involved in the food industry.

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

- F.F.I. Holdings Limited (Non-Executive Director from 10 November 2006 to 14 October 2011)
- Webster Limited (Non- Executive Director from 14 March 2013)*

** Denotes current directorship*

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

John Rowe (Non-Executive Director)

BSc (Hons), ARSM, MAusIMM

Appointed 5 December 2006

John Rowe is a geologist who has had extensive mining industry experience over a 40 year period. Until August 2006, John was General Manager, Business Development with LionOre Australia responsible for assessing new business, divesting assets and negotiating nickel ore and concentrate sales contracts. Prior to joining LionOre, John spent 12 years with MPI Mines Limited in various group executive roles and was involved in the evaluation, development and production of the high grade Silver Swan nickel sulphide project as well as the Stawell Gold Mine in Victoria. John started his career with Metals Exploration Limited as a mine geologist at the Nepean Nickel Mine in the early 1970's before taking on senior executive roles with Consolidated Goldfields, Agnew Mining Pty Limited, and North Kalgurli Mines Limited. Following a short stint with R&I Gold Bank in their technical division, Mr Rowe set up his own geological consultancy in the early 1990's and then joined MPI Mines Limited in mid-1993.

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

- Evolution Mining Limited, formerly Catalpa Resources Limited until 14 October 2011, (Non-Executive Director from 12 October 2006 to 30 January 2008, Non-Executive Chairman from 30 January 2008 to 10 December 2009, and Non-Executive director from 10 December 2009.)*
- Southern Cross Goldfields Ltd (Non-Executive Director from 14 April 2010)*
- Magma Metals Limited (Non-Executive Chairman from 25 June 2012)*[a]

**Denotes current directorship*
[a] Magma Metals Limited was delisted from the Australian Stock Exchange ("ASX") on 28 June 2012 and from the Toronto Stock Exchange ("TSX") on 5 July 2012. On 28 September 2012, the Company's entity status was changed to a proprietary company and became Magma Metals Pty Limited

COMPANY SECRETARY

Trevor R Eton

B.A (Hons)(Econ), PostGradDip (Man), AFAIM

Appointed 12 March 2003

Trevor Eton is an accountant with over 25 years of experience in corporate finance within the minerals industry. Prior to joining the Company in 2003, he was Company Secretary and Group Financial Controller of MPI Mines Limited for 10 years. Trevor also worked for North Kalgurli Mines Limited, Metals Exploration Limited and Australian Consolidated Minerals Limited in various corporate finance roles from the mid 1980's.

During the past three years, Trevor has served as a director of the following listed companies:

- Magma Metals Limited (Executive Director from 25 June 2012)*[a]

**Denotes current directorship*
[a] Magma Metals Limited was delisted from the ASX on 28 June 2012 and from the TSX on 5 July 2012. On 28 September 2012, the Company's entity status was changed to a proprietary company and became Magma Metals Pty Limited

DIRECTORS' MEETINGS

The number of meetings of directors (including committee meetings of directors) held during the year and the number of meetings attended by each director are as follows:

		Meetings of Committees		
	Directors' Meetings	Audit	Remuneration	Environment, Safety & Risk
Number of meetings held:	**10**	**3**	**2**	**2**
Number of meetings attended:				
Brian M Phillips	10	3	2	2
Peter J Harold	10	-	-	2
Christopher D J Langdon	10	3	2	2
John Rowe	10	3	2	2

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

COMMITTEE MEMBERSHIP

As at the date of this report, the Company has an Audit Committee, a Remuneration Committee, and an Environment, Safety and Risk Committee.

Members acting on the committees of the Board during the year were:

Audit	Remuneration	Environment, Safety and Risk
Christopher D J Langdon (c)	Brian M Phillips (c)	Brian M Phillips (c)
Brian M Phillips	Christopher D J Langdon	Christopher D J Langdon
John Rowe	John Rowe	John Rowe
		Peter J Harold

(c) designates the Chairman of the Committee. The Company Secretary, Trevor Eton, acts as the Secretary on each of the committees of the Board.

DIRECTORS' INTERESTS

The relevant interest of each director in the share capital as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of signing is as follows:

Name of Director	Ordinary Direct	Shares Indirect	Performance rights over ordinary shares
Brian M Phillips	-	10,000	-
Peter J Harold	-	3,490,785	520,000
Christopher D J Langdon	-	25,000	-
John Rowe	-	10,000	-

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year consisted of exploration, evaluation, development and production of mineral deposits.

The consolidated entity has four business divisions in which it operates, being:

Nickel Division – comprising the Savannah Nickel Project, the Lanfranchi Nickel Project and the Copernicus Nickel Project (in which the Group has a ~78% interest);

Gold Division – comprising the Gidgee Gold Project and the Mt Henry Gold Project (in which the Group has a 70% interest);

Platinum Group Metals (PGM) Division – comprising the Thunder Bay North PGM Project and the Panton PGM Project; and

Australian and Overseas Exploration Division – comprising greenfield exploration activities within the two segments.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

OPERATING AND FINANCIAL REVIEW

Operating Results for the Year

The Group recorded a loss after tax for the financial year ending 30 June 2013 of $31,685,000 (2012: loss after tax of $18,212,000).

Financial Performance

The Group's performance during the 2013 financial year and for the four previous financial years, are set out in the table below. The financial results shown below were all prepared under International Financial Reporting Standards (IFRS).

Year Ended 30 June	2013	2012	2011	2010	2009
Revenue and other income ($'000)	185,590	233,549	254,047	287,953	229,914
Cost of production ($'000)	(145,012)	(159,343)	(136,681)	(126,543)	(113,604)
Royalties ($'000)	(9,283)	(11,421)	(12,596)	(12,598)	(9,250)
Exploration and evaluation ($'000)	(2,682)	(6,704)	(6,303)	(7,113)	(7,606)
Other expenses ($'000)	(11,625)	(17,160)	(14,651)	(17,194)	(17,478)
EBITDA (before impairment) ($'000)	16,988	38,921	83,816	124,505	81,976
Depreciation and amortisation ($'000)	(54,386)	(51,438)	(46,073)	(52,661)	(49,524)
Impairment/write-off of assets ($'000)	(8,026)	(7,202)	(5,536)	7,221	(26,285)
Finance costs ($'000)	(1,563)	(1,590)	(1,424)	(762)	(772)
Profit /(loss) before tax ($'000)	(46,987)	(21,309)	30,783	78,303	5,395
Income tax benefit (expense)	15,302	3,097	(10,154)	(22,108)	215
Net profit/(loss) after tax ($'000)	(31,685)	(18,212)	20,629	56,195	5,610
Earnings/(loss) per share (cents)	(12.5)	(8.6)	10.0	27.5	2.9
Dividends per share (cents)	1.0	2.0	6.0	16.5	3.0
Dividends pay out ratio (%)	-	-	60.0	59.9	103.3
Market capitalisation ($'000)	52,135	145,616	362,339	447,473	463,052
Closing share price ($ per share)	0.20	0.61	1.75	2.18	2.27
Return on equity (%)	(22.9)	(15.3)	20.0	55.3	6.2

Revenue and other income

The Nickel Division generated $180,634,000 of revenue which was down 21% on the prior year. Sales revenue was impacted by the lower realised nickel price received in Australian dollars on nickel in concentrate and ore sold during the year. The LME cash nickel price averaged A$7.23 per pound during the financial year, down 15% on the previous year's equivalent LME average cash nickel price of A$8.48 per pound. In addition, there was a 4% fall in nickel contained in concentrate and ore sold (18,959 tonnes) than the previous reporting period (19,820 tonnes). Approximately 500 tonnes of nickel contained in concentrate was waiting to be shipped at the end of the financial year. Hedging gains of $9,654,000 were 46% lower than the prior year due to the lower volume of payable nickel production being hedged by the use of nickel forward sales contracts and nickel put options. Other revenue comprised interest income of $1,131,000 and other income of $3,825,000 was principally from the sale of 11,500,001 shares in Hot Chili and federal government grants in relation to the *Jobs and Competitiveness Program*.

Cost of production

Total aggregate direct costs of the Nickel Division were 9% lower than the previous financial year, primarily as a consequence of the cost saving and productivity initiatives implemented from November 2012. The Group has commenced a review of all major supply contracts and is seeking on-going assistance from all suppliers and contractors to reduce input costs and improve the gross sales margin at each operation.

Other expenses

Corporate and marketing costs were lower than previous years from a reduction in the number of employees working in the Perth office and as a result of a reduction in corporate evaluation and acquisition activities. The Company is continually looking for ways to reduce the cost of managing the business.

Impairment/write-off of assets

In response to the low nickel price environment and lower near-term nickel price forecast (based on external consensus estimates), the carrying-value of the Lanfranchi Nickel Project was impaired by $14,369,000 on a pre-tax basis ($10,058,000 after tax). Of this amount, $7,888,000 before tax was recognised in the consolidated income statement and the balance of $6,481,000 was taken to reduce the asset revaluation reserve which holds the increase in fair value of the original 75% interest in the Lanfranchi mineral tenements following the acquisition by the Group of the remaining 25% interest of the project in 2009.

Income tax benefit

Tax benefit of $15,302,000 represented an effective tax benefit rate of 32.6%, up 18.1% on the prior year. Significant adjustments to tax benefit included the benefits of research & development claims ($2,252,000) offset by (1); a reduction in prior year tax losses ($1,618,000) and (2); a deferred tax liability of $1,185,000 recognised on the tax consolidation of Magma Metals within the Panoramic tax group.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

REVIEW OF FINANCIAL CONDITION

Balance Sheet

Net working capital – current assets less current liabilities

The net working capital position of $25,734,000 was 61.5% lower than at the previous period end, primarily due to the decrease in cash on hand and the reduced balance of trade and other receivables. The fall in the value of trade receivables was from the downward movement in commodity prices priced in United States dollars at the end of the fiscal year compared to the previous period end.

Due to weaker spot commodity prices and the high Australian dollar, the operating activities of the consolidated group (including royalty payments and net of the costs of running the Perth and Thunder Bay offices) generated cashflows before tax of $22,958,000, which was down 39.9% on the previous financial year. Net cash outflow from investing activities of $33,242,000 was 59.3% lower than in the previous financial year from a reduction in evaluation costs on new opportunities and lower purchase payments and other associated acquisition costs on advanced stage exploration projects.

Net tax balances

The net deferred tax liability of $23,627,000 was 45.4% lower than at the previous period end as a result of the increase in the balance of tax losses carried forward at the end of the period.

Net assets/equity

The net asset position of the consolidated entity decreased 11.7% to 271,583,000, with the decrease in net working capital being the principal reason, as explained above. The main factor for the 7.1% increase in contributed entity was the issue in August 2012 of 14 million shares to Matsa Resources Limited, at the deemed price of $0.565 per share, as part consideration of a 70% interest in the Mt Henry Gold Project.

Capital Structure

The debt to equity ratio (borrowings on equity interest in shareholders' equity) at 30 June 2013 was 7.6% (2012: 7.2%)

Business and Financial Risks

Exposure to movements in nickel, copper and cobalt prices and the Australian dollar foreign exchange rate to the United States dollar are significant business and financial risks in the Nickel Division. As a price-taker, the consolidated entity has no ability to control the global spot prices it receives for the sales of nickel concentrate and nickel ore. Any negative commodity price movement directly impacts the business by reducing the sales revenue the consolidated entity receives in United States dollars. Similarly, the conversion of sales revenue received in United States dollars into Australian dollars exposes the consolidated entity to movements in the foreign exchange rate between the Australian dollar and the United States dollar. If the Australian dollar is strong relative to the United States dollar at the time of conversion, the consolidated entity will receive less Australian dollar revenue.

Hedging Policy

The consolidated entity has an active policy of limiting the exposure to nickel price risk and currency risk through limited hedging, namely:

- For nickel price risk of both the Savannah Project and the Lanfranchi Project, the policy is to hedge, when appropriate, no more than 80% (2012: 80%) of the payable nickel forecast to be produced in any month, over a rolling two year horizon. Any hedging is undertaken using a combination of nickel forward sales contracts and nickel put options, with nickel call options written and sold in order to offset the cost of bought nickel put options. Of the 80% maximum limit, the percentage of the combined nickel forward sales contracts and written nickel call options (but excluding purchased nickel put options) is to be no more than 40% (2012: 40%) of the payable nickel forecast to be produced in any month over the same rolling two year horizon; and
- For currency risk, although not mandatory in the policy, when appropriate, sufficient foreign exchange currency hedging on a month to month basis, via a combination of currency forward contracts and currency put and call options, to match the net United States dollar proceeds from nickel hedging using nickel forward sales contracts.

As at 30 June 2013, the consolidated entity had no outstanding nickel forward sales contracts and nickel put options in place.

As at 30 June 2013, the consolidated entity had a net "out of the money" position on open United States dollar denominated foreign exchange bought put and sold call options that expire between July 2013 and October 2013 (as detailed further in Note 13 of the Notes to the Financial Statements).

Other business risks can have an impact on the profitability of the consolidated entity. The recognition, management and control of these risks are key elements of the enterprise-wide risk management framework which has been progressively developed and rolled-out across the Group, as detailed in the Corporate Governance Statement on page 27.

DIVIDENDS

On 27 February 2013, the Directors declared an interim fully franked dividend of 1.0 cents per share, which was paid on 31 May 2013. No final dividend has been declared for the financial year ended 30 June 2013.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

REVIEW OF OPERATIONS

Nickel Division

On a Group basis, the operations produced an aggregate 19,561 (2012: 19,791) tonnes of contained nickel, down 1% on the previous financial year.

Lanfranchi Nickel Project, South Kambalda, WA

The Lanfranchi Nickel Project achieved a new annual production record of 520,523 (2012: 464,188) tonnes of ore grading 2.28% (2012: 2.40%) nickel containing 11,858 (2012: 11,158) tonnes of nickel. The nickel ore is trucked and treated at BHP Billiton Nickel West's Kambalda nickel concentrator under an Ore Tolling and Concentrate Purchase Agreement.

Savannah Nickel Project, East Kimberley region, WA

The Savannah Nickel Project treated 686,739 (2012: 661,979) tonnes of ore grading 1.29% (2012: 1.52%) and produced 7,703 (2012: 8,633) tonnes of nickel in concentrate together with 4,443 (2012: 4,987) tonnes of copper and 382 (2012: 475) tonnes of cobalt. The nickel concentrate is trucked and shipped from the port of Wyndham to the Jinchuan Group in China under the March 2010 Extended Concentrate Sales Agreement.

Copernicus Nickel Project, East Kimberley region, WA (Panoramic ~78%)

As at the date of this report, due to the weakness of the nickel price, the Copernicus Nickel Project remains under indefinite care and maintenance.

EXPLORATION AND DEVELOPMENT PROJECTS

During the financial year, the Group continued exploring for additional Mineral Resources and Ore Reserves at each of its projects together with exploration on advanced and greenfield exploration projects within and outside Australia.

Gold Division

Gidgee Gold Project, Murchison region, WA

Following the positive results of the August 2012 Scoping Study, the Company commenced a Bankable Feasibility Study ("Gidgee BFS") into the mining and treatment of open pit ore from the Swan Bitter, Swift, Howards, Toedter, Specimen Well Mineral Resources and underground ore from the Wilsons Mineral Resource. As part of the Gidgee BFS, a 26,000 metre drilling program was undertaken at Wilsons, Swan Bitter, Swift and Howards to upgrade the Gidgee Inferred Resources to an Indicated Resource Category and to gather geotechnical and metallurgical information for mine planning, plant design and flowsheet optimisation. The successful drilling program and the concurrent evaluation studies over the financial year has led to the commencement of detailed Resource and Project Modelling as final steps in the completion of the Gidgee BFS.

Mt Henry Gold Project, Norseman, WA (Panoramic 70%)

Subsequent to the finalisation of the purchase of a 70% interest in the Mt Henry Gold Project in August 2012, the Company, as the Manager and Operator of the unincorporated Mt Henry Joint Venture, commenced and released the Mt Henry Scoping Study in December 2012. The positive outcome of the Scoping Study was the first step towards the completion of a Bankable Feasibility Study ("Mt Henry BFS") into the mining and treatment of ore from the Mt Henry, Selene and North Scotia Mineral Resources. A 10,000 metre drilling program has been completed to upgrade the Mt Henry Inferred Resources to an Indicated Resource Category and to gather geotechnical and metallurgical information for mine planning, plant design and flowsheet optimisation. A number of evaluation studies on the Mt Henry BFS have also either been completed or are nearing completion prior to the commencement of detailed Resource and Project Modelling.

Platinum Group Metals (PGM) Division

Thunder Bay North PGM Project, North-West Ontario, Canada

The Thunder Bay North PGM Project was acquired in June 2012 following the successful off-market takeover of Magma Metals Limited. Since acquiring the advanced exploration project, the Company has continued to explore for extensions to the Thunder Bay North Mineral Resource and has undertaken detailed evaluation studies primarily focused on optimising the process flowsheet.

Panton PGM Project, East Kimberley, WA

The Panton PGM Project is located only 60kms south of the Savannah Nickel Project. Following the acquisition of the project in May 2012, the Company commenced a desktop review of technical information contained in the 2003 and 2012 Bankable Feasibility Studies to better understand the geological characteristics of the Mineral Resource prior to the optimisation of mining and processing options.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

CORPORATE

The Company is limited by shares and is domiciled and incorporated in Australia.

Significant events of the consolidated entity during the financial period of a corporate nature were as follows:

On-Market Share Buyback

On 26 June 2012, the Company announced that it intended to conduct an on-market share buyback. The earliest date that the on-market share buyback could have started was 11 July 2012 for a maximum period of 12 months. The buy-back provisions of the *Corporations Act 2001* stipulate that a Company has to commence buying back shares in the two month period from the earliest date an on-market share buyback could have started. In response to the weakness in the nickel price and the need to conserve cash reserves, the Company did not buy back shares during the two month period from 11 July 2012. As a result, the on-market share buyback lapsed on 12 September 2012.

Hot Chili Limited

On 29 November 2012, the Company sold 11,500,001 shares in Hot Chili Limited ("Hot Chili") at a price of $0.61 per share (before brokerage). This represented all of the Company's shareholding in Hot Chili, except for 1,611,111 unlisted Hot Chili options (at an exercise price of $0.75 per option) that were granted by Hot Chili to the Company in December 2011 and subsequently exercised and sold in February 2013. The Company realised a pre-tax profit of approximately $93,000 from the purchase and sale of shares and unlisted options in Hot Chili.

EMPLOYEES

At the end of the financial year, the Group had 410 permanent, full time employees (2012: 428). This number included for the first time, the employees working out of the Thunder Bay office who came into the Group following the successful takeover of Magma Metals Limited in 2012.

KEY DEVELOPMENTS (INCORPORATING SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS)

Significant changes in the state of affairs of the consolidated entity during the financial period were as follows:

- On 25 July 2012, in relation to the Off-Market takeover of Magma Metals Limited, the Company successfully acquired all the ordinary issues in Magma following the compulsory acquisition process.
- On 7 August 2012, the Company announced and released the Gidgee Gold Project Scoping Study on the mining and treatment of open pit ore from previous production areas at Swan Bitter, Swift, Howards, Toedter, Specimen Well and underground ore from the Wilsons orebody.
- On 16 August 2012, a wholly owned subsidiary of the Company, Mt Henry Gold Pty Ltd, finalised the 70% purchase of the Mt Henry Gold Project from Matsa Resources Limited for $5 million plus 14 million new Panoramic shares (with escrow arrangements on two-thirds of the shares).
- On 17 October 2012, the Company announced a combined 74% increase in the Resources at Howards and Heron South. These resources are part of the Gidgee Gold Project and upgraded the total gold Resource at Gidgee to 1.16 million ounces of gold.
- On 18 December 2012, the Company announced and released the Mt Henry Gold Project Scoping Study on the mining and treatment of open pit ore from the Mt Henry, Selene and North Scotia Mineral Resources.
- At Lanfranchi, the maiden Mineral Resource estimate of 6,395 tonnes of contained nickel at the new Jury-Metcalfe mineralised zone was reported on 20 March 2013.
- On 18 April 2013, the Company and a wholly owned subsidiary of the Company, Greenstone Metals Pty Limited, executed the "Farm-In and Joint Venture Agreement (Lake Grace Joint Venture)" with Auzex Exploration Limited ("Auzex") whereby Auzex, by spending $2.4 million over eighteen months, is able to earn an 60% interest in the Lake Grace and Griffins Find exploration tenements.

EVENTS SUBSEQUENT TO BALANCE DATE

Gidgee Project Tenement Farm-Out and Joint Venture

On 9 August 2013, a wholly owned subsidiary of the Company, Panoramic Gold Pty Ltd, executed the "Gidgee Project Farm-In and Joint Venture Agreement" with Gateway Mining Limited ("Gateway") whereby Gateway, by spending $1.2 million over thirty months, is able to earn an 70% interest in tenement M57/633 at the Gidgee Gold Project.

In the interval between the end of the financial year and the date of this report, apart from the events mentioned above, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

BUSINESS STRATEGIES AND PROSPECTS (INCORPORATING LIKELY DEVELOPMENTS AND EXPECTED RESULTS)

The Company has embarked on a process called "*Building a Sustainable Future*". This process was commissioned in May 2013 to improve the way the consolidated entity manages all areas of the Group's activities to survive volatile commodity prices and foreign exchange rates and to build a sustainable business. This process is a continuation of the cost saving and productivity initiatives implemented in November 2012 and is leading to improved planning and management systems and more consistent performance, resulting in further productivity improvements and cost reductions.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining house in the S&P/ASX 100 Index.

The likely developments in each of the consolidated entity's commodity divisions over the next 12 months are highlighted below.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Nickel Division

The consolidated entity will continue mining and treating nickel sulphide ores to produce nickel concentrate at the Savannah Nickel Project and continue mining of nickel sulphide ores from the Lanfranchi Nickel Project.

Work will continue on extending and adding to economic reserves of the Savannah Nickel Project and the Lanfranchi Nickel Project from known resources and identifying new resources through exploration.

Gold Division

At the Gidgee Gold Project, the consolidated entity will continue work to complete the Gidgee BFS for the economic mining of underground ore at the Wilsons deposit and mining of open pit ore from the Swan Bitter, Swift, Howards, Toedter and Specimen Well Mineral Resources.

At the 70% owned Mt Henry Gold Project, the consolidated entity will continue work to complete the Mt Henry BFS for the economic mining of open pit ore from the Mt Henry, Selene and North Scotia Mineral Resources.

Platinum Group Metals (PGM) Division

The consolidated entity will continue evaluation activities on the Thunder Bay North PGM Project in north-west Ontario, Canada and on the Panton PGM Project in the East Kimberley region of Western Australia.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in the future financial years has not been included in this report because disclosure would be likely to result in unreasonable prejudice to the consolidated entity.

SHARE OPTIONS

At the date of signing, there are no unissued ordinary shares of the Company under option.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify the current directors and senior executives, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and officers of the Company, except where the liability arises out of certain wrongful acts for which the Company has not agreed to provide indemnity. The agreement stipulates that the Company will meet the full amount of any such liabilities including costs and expenses.

During the financial year, the Company has paid premiums of $104,700 (2012: $50,540) in respect of contracts insuring all the directors and officers against legal costs incurred in defending proceedings. The insurance premiums relate to:

1. Costs and expenses incurred by the relevant officers in defending legal proceedings, both civil and criminal and whatever the outcome; and
2. Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

2013 REMUNERATION REPORT (AUDITED)

This 2013 Remuneration Report outlines the remuneration arrangements in place for the directors and executives of the Company and the Group in accordance with the *Corporations Act 2001 and its Regulations (the Act)*. The information provided in the remuneration report has been audited as required by section 308 (3C) of the Act.

For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'executive' encompasses the managing director, senior executives and operations managers of the Company and the Group.

Details of Key Management Personnel

(i) Directors

Brian Phillips	Chairman (Non-Executive)
Peter Harold	Managing Director
Christopher Langdon	Director (Non-Executive)
John Rowe	Director (Non-Executive)

(ii) Named Executives

Trevor Eton	Chief Financial Officer & Company Secretary
Christopher Williams	General Manager – Project Development & Technical Services
Terry Strong	General Manager – Nickel Operations
John Hicks	General Manager – Exploration *(appointed 14 March 2013)*
Robert Thorburn	Operations Manager – Lanfranchi *(to 7 May 2013)*
Tim Mason	Operations Manager – Lanfranchi *(appointed 7 May 2013)*
Mark Recklies	Operations Manager – Savannah

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value and company profits;
- Significant portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate and demanding performance hurdles in relation to variable executive remuneration.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Managing Director and the executive team.

The Remuneration Committee assess the appropriateness of the nature and amount of remuneration of executives 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, high performing and committed executive team.

Remuneration Structure

In accordance with best practice corporate governance, the remuneration structure of the non-executive directors, and senior management, is separate and distinct.

Use of Remuneration Consultants

Where appropriate, the Remuneration Committee and the Board seek advice from independent remuneration consultants to ensure the remuneration paid to the non-executive directors and senior management is appropriate and in line with the market. The Company did not receive independent remuneration advice during the financial year as defined under the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

Non-Executive Director Remuneration

Fixed Remuneration

Objective

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.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. This fee is inclusive for each Board committee on which a director sits.

As a consequence of the continuing weakness in the nickel price and the strength in Australian dollar against the United States dollar, the non-executive directors agreed to a 10% reduction in director fees. This change came into effect from 1 January 2013. As at the date of this report, there is a pay-freeze in place on non-executive director fees until market conditions improve.

The fees paid to non-executive directors for the period ending 30 June 2013 are detailed in Table 1 on pages 19 and 20 of this report. Fees for the non-executive directors are determined within an aggregate directors' fee pool limit of $600,000, which was last approved by shareholders on 20 November 2007.

Variable Remuneration

The Company does not reward non-executive directors with variable remuneration. Any shares in the Company that are held by non-executive directors at the date of this report are directly or in-directly separately purchased and held by each director and have not been issued by the Company as part of each director's remuneration package.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Executive Remuneration

Objective

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

- reward executives for Company, operating segment and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and the performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee takes due consideration of the current market levels of remuneration for comparable executive roles.

It is the Remuneration Committee's policy that employment contracts are entered into with the Managing Director and other key management personnel. Details of these KMP contracts are provided on pages 16 to 18.

Remuneration consists of the following key elements:

- Fixed Remuneration (base salary, superannuation and non-monetary benefits);
- Variable Remuneration
  - Short Term Incentive Bonus ('STIB'); and
  - Long Term Incentive ('LTI').

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each executive by the Remuneration Committee. Table 1 on pages 19 and 20 details the variable component (%) of the Group's KMP. STI Bonuses paid and accrued, in most cases, do not include the statutory requirement from 1 July 2009 for the payment of employer superannuation. Where necessary, when the payment of superannuation on an individual's STI Bonus would cause the amount of superannuation in any financial year to exceed the applicable statutory concessional maximum superannuation contribution limit, at the individual's discretion, an equivalent amount of employer superannuation is added to the executive's base cash salary.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of Company-wide, business unit and individual performance, relevant comparative remuneration in the market and internal and, when appropriate, external advice on policies and practices. As noted above, the Remuneration Committee has access to external advice, independent of management.

Structure

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

As a consequence of the continuing weakness in the nickel price and the strength in Australian dollar against the United States dollar, executives on an annual base salary of $200,000 and over agreed to accept a 10% reduction in base salary, effective from 1 January 2013. Executives on an annual base salary of less than $200,000 agreed to accept a 5% reduction in base salary, also from January 2013. As at the date of this report, there is a pay-freeze in place across the Group until market conditions improve.

The fixed remuneration component of the Group's key management personnel is detailed in Table 1 on pages 19 and 20.

Variable Remuneration – Short Term Incentive Bonus (STIB)

Objective

The objective and intention of the executive STIB scheme is to encourage and provide a further incentive to executives to:

(a) maximise the financial performance of the Company on a regular and consistent basis that is also consistent with the Company's Core Values; and

(b) create and maintain a culture within all levels of the Company and Group such that the Company's Core Values are accepted, supported and actively promoted by all the employees of the Company and Group.

The STIB scheme has been designed so as to provide sufficient incentive to the executives such that the cost to the Company is reasonable in the circumstances.

Structure

The current structure of the executive STIB scheme commenced from 1 January 2010.

Calculation of the STIB

The STIB is calculated annually at the end of the relevant financial year ("**Relevant Financial Year**"). The STIB comprises two parts - the first part is based on the Company's financial performance; the second part is discretionary and based on the extent to which the Company and the Group, Managing Director, executives, and all employees have acted and performed in a manner consistent with the Company and the Group Core Values during the Relevant Financial Year. The STIB is paid in the next Financial Year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

STIB First Part – Cash Bonus based on Financial Performance

A maximum Cash bonus (excluding statutory superannuation) will be paid to the executives if certain financial thresholds are met by the Company and the Group during the Relevant Financial Year ("**Cash bonus**"). The maximum Cash bonus will be calculated at the end of the Relevant Financial Year and paid in the next Financial Year using figures obtained from the audited financial statements of the consolidated entity for the Relevant Financial Year, in accordance with the following formula:

$$\mathbf{C_{EXEC} = [P(E \times 15\%)] \times 20\%}\text{, where}$$

C_{EXEC} = the maximum Cash bonus to be paid to executives for the Relevant Financial Year;

P = Earnings Before Interest and Tax ("**EBIT**") of the Company (on a consolidated basis) for the Relevant Financial Year;

E = the average of (1) the "Total Assets" line item of the audited consolidated balance sheet of the Company (on a consolidated basis) for the Relevant Financial Year and (2) the "Total Assets" line item of the audited consolidated balance sheet of the Company for the year immediately preceding the Relevant Financial Year. "Total Assets" includes current and non-current assets.

STIB Second Part – Discretionary Cash Bonus based on Core Values

In addition to the first part maximum STIB Cash bonus, the Company (in the sole and absolute discretion of the Remuneration Committee) may pay each executive on a case by case basis, a Discretionary Cash bonus ("**Discretionary Cash bonus**"). The Discretionary Cash bonus will be determined at the end of the Relevant Financial Year and paid in the next Financial Year taking into account the extent to which the Company, Managing Director, executives, and all employees have acted and performed in a manner consistent with the Company's **Core Values** during the Relevant Financial Year.

The Company's **Core Values** are the core values of the Company as announced to the Australian Stock Exchange ("ASX") from time to time by the Company, which as listed in the Managing Director's employment contract, are:

- **Core Value One** – to maintain and improve the Company's safety culture so every employee believes that safety is the Company's most important value in line with the Company's safety mantra: Vision, Commitment, Results;
- **Core Value Two** – to optimise the Company's metal production by focus on operations and the performance of the management team;
- **Core Value Three** – to maintain a programme to grow the Company's existing resource and reserve base;
- **Core Value Four** - seek to acquire additional assets so the Company pursues its aim to become a diversified mining house; and
- **Core Value Five** - maintain a steady return to Shareholders through dividends and/or increase in the value of the Company's shares.

Maximum STIB

In addition to the executive STIB scheme, and subject to the financial and operational performance of the Company and Group in the Relevant Financial year, the Company may make discretionary STIB cash payments to the remaining employees of the Company and Group.

To take account of the aggregation of the two annual STIB cash payments, the Remuneration Committee has set a maximum aggregate STIB Cash pool (including statutory superannuation) for the Company and Group to be calculated at the end of the Relevant Financial Year using figures obtained from the audited consolidated financial statements of the Company for the Relevant Financial Year, in accordance with the following formula:

$$\mathbf{C_{max} = P \times 5\%}\text{, where}$$

C_{max} = the maximum aggregate Cash bonus to be paid to all Company and Group employees for the Relevant Financial Year;

P = Earnings Before Interest and Tax ("**EBIT**") of the Company (on a consolidated basis) for the Relevant Financial Year.

Accrued and actual executive STIB payments

Actual STIB payments granted to each executive are made in the next Financial Year (usually in October (60%) and the following April (40%)), when the audited consolidated financial statements of the Company for the Relevant Financial Year are known and the maximum executive STIB Cash pool (CEXEC) has been determined.

2013 Financial Year

Based on the C_{EXEC} calculation formula and forecast consolidated financial results, no aggregate executive STIB Cash bonus (First Part) was accrued in the 2013 consolidated financial statements. Due to market conditions and the current pay-freeze across the Group, no Discretionary Cash bonuses (Second Part) will be awarded to executives during the current 2014 financial year in relation to the 2013 financial year. During the 2013 financial year, there were no subsequent Discretionary Cash bonuses granted and paid to executives that were in relation to the preceding 2012 financial year.

2012 Financial Year

No STIB Cash bonuses (First Part or Second Part) were granted and subsequently paid in the 2013 financial year. Discretionary Cash Bonuses that were paid to each executive during the 2012 financial year were in relation to the preceding 2011 financial year.

The short term incentive variable remuneration component of the Group's KMP is detailed in Table 1 on pages 19 and 20.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Variable Remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI program is to reward and incentivise executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The Company's performance during the 2013 financial year and for the previous four financial years, and its impact on shareholder wealth, is summarised in the table below.

Year Ended 30 June	2013	2012	2011	2010	2009
Revenue and other income ($'000)	185,590	233,549	254,047	287,953	229,914
Cost of production ($'000)	(145,012)	(159,343)	(136,681)	(126,543)	(113,604)
Royalties ($'000)	(9,283)	(11,421)	(12,596)	(12,598)	(9,250)
Exploration and evaluation ($'000)	(2,682)	(6,704)	(6,303)	(7,113)	(7,606)
Other expenses ($'000)	(11,625)	(17,160)	(14,651)	(17,194)	(17,478)
EBITDA (before impairment) ($'000)	16,988	38,921	83,816	124,505	81,976
Depreciation and amortisation ($'000)	(54,386)	(51,438)	(46,073)	(52,661)	(49,524)
Impairment/write-off of assets ($'000)	(8,026)	(7,202)	(5,536)	7,221	(26,285)
Finance costs ($'000)	(1,563)	(1,590)	(1,424)	(762)	(772)
Profit /(loss) before tax ($'000)	(46,987)	(21,309)	30,783	78,303	5,395
Income tax benefit (expense)	15,302	3,097	(10,154)	(22,108)	215
Net profit/(loss) after tax ($'000)	(31,685)	(18,212)	20,629	56,195	5,610
Earnings/(loss) per share (cents)	(12.5)	(8.6)	10.0	27.5	2.9
Dividends per share (cents)	1.0	2.0	6.0	16.5	3.0
Dividends pay out ratio (%)	-	-	60.0	59.9	103.3
Market capitalisation ($'000)	52,135	145,616	362,339	447,473	463,052
Closing share price ($ per share)	0.20	0.61	1.75	2.18	2.27
Return on equity (%)	(22.9)	(15.3)	20.0	55.3	6.2

Structure

LTI grants to executives are now delivered in the form of performance rights to shares, as issued under the 2010 Panoramic Resources Limited Employee Share Plan (2010 ES Plan) approved by the Company's shareholders on 3 September 2010. During the financial year, there were no LTI grants under the 2010 ES Plan allocated to executives of the Company.

Table 2 and Table 3 on pages 20 to 21, provides details of performance rights to shares granted, the value of performance rights to shares granted, and vesting periods under the 2010 ES Plan. Details of the 2010 ES Plan and the respective performance hurdles are provided under the terms of Peter Harold's employment contract on page 17.

Employment Contracts

No Hedging Contracts on LTI Grants

The Company does not permit executives to enter into contracts to hedge their exposure to options or performance shares granted as part of their remuneration package. This policy is strictly enforced by the Managing Director under the Company's Share Trading Policy detailed in the Corporate Governance Statement on page 26.

Non-Executive Chairman

The Non-Executive Chairman, Brian Phillips, commenced in his role on 17 November 2011 under the following terms:

- Brian Phillips may resign from his position and thus terminate his directorship on written notice.
- The Company must provide 6 months written notice or provide payment in lieu of the notice period ($80,798), based on the fixed component of Brian Phillips' remuneration if termination is initiated by the Company, except where termination is from serious misconduct.
- The Company may terminate his directorship at any time without notice if serious misconduct has occurred. In this situation, the Non-Executive Chairman is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

Non-Executive Directors

All other non-executive directors conduct their duties under the following terms:

- A non-executive director may resign from his position and thus terminate this contract on written notice.
- The Company may terminate a directorship by providing 6 months' written notice or provide payment in lieu of the notice period (based on the fixed component of the non-executive director's remuneration) if termination is initiated by the Company, except where termination is from serious misconduct. The fixed components of the non-executive director's remuneration are:

Non-Executive Director	Termination Payment
Christopher Langdon	$56,315
John Rowe	$56,315

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

- The Company may terminate a directorship at any time without notice if serious misconduct has occurred. Where termination with such cause occurs the non-executive director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

Managing Director

The Managing Director, Peter Harold, is employed under a contract that commenced on 1 January 2010. The key features of his employment contract (Contract) are:

- The term of the Contract was initially for a minimum of 12 months, and is now able to be terminated on 6 months notice from Peter Harold, and on 12 months notice from the Company. Termination is immediate (with no payment in lieu of notice) under certain events. Since 1 January 2011, the fixed remuneration per annum of Peter Harold's Contract is subject to review on an annual basis.
- The Company may make STIB payments to Peter Harold, firstly, up to a maximum of 75% of Peter Harold's fixed remuneration per annum under the First Part (Financial Performance) of the executive STIB scheme, and secondly, up to a maximum of 25% of Peter Harold's fixed remuneration per annum under the discretionary Second Part (Core Values) of the executive STIB scheme. The Cash bonus under the First Part (Financial Performance) of the executive STIB scheme will be calculated at the end of the Relevant Financial Year using figures obtained from the audited consolidated financial statements of the Company for the Relevant Financial Year, in accordance with the following formula:

  $$\mathbf{C_{PH} = [P(E \times 15\%)] \times 2.5\%}\text{, where}$$

  C_{PH} = the Cash bonus to be paid to Peter Harold for the Relevant Financial Year;

  P = Earnings Before Interest and Tax ("**EBIT**") of the Company (on a consolidated basis) for the Relevant Financial Year;

  E = the average of (1) the "Total Assets" line item of the audited consolidated balance sheet of the Company (on a consolidated basis) for the Relevant Financial Year and (2) the "Total Assets" line item of the audited consolidated balance sheet of the Company for the year immediately preceding the Relevant Financial Year. "Total Assets" includes current and non-current assets.
- Peter Harold may resign from his position and thus terminate the Contract by giving 6 months written notice. Any vested unlisted options not exercised, if applicable, will be forfeited 4 weeks after notice of resignation. Peter Harold will not receive any accrued benefits of the executive STIB scheme in the event that he gives notice.
- If the Company terminates Peter Harold's Contract, other than lawfully in accordance with its terms, Peter Harold will be entitled to be paid his accrued First Part (Financial Performance) executive STIB at the time notice of the termination is given based on the calculated STIB at the end of the previous quarter in the Relevant Financial Year, up to the maximum of 75% of Peter Harold's fixed remuneration per annum. Any payment of a Cash bonus under the Second Part (Core Values) of the executive STIB scheme will be at the discretion of the Remuneration Committee. If Peter Harold works out the whole or any part of his notice period, he will be entitled to his accrued First Part (Financial Performance) executive STIB during the period after the notice is given until such time as he stops working.
- If there is a Change of Control Event, Peter Harold will be entitled to paid his accrued First Part (Financial Performance) executive STIB at the time of the Change of Control based on the calculated STIB at the end of the previous quarter in the Relevant Financial Year, up to the maximum of 75% of Peter Harold's fixed remuneration per annum. Any payment of a Cash bonus under the Second Part (Core Values) of the executive STIB scheme will be at the discretion of the Board of Directors. If the Board of Directors is unable to determine for any reason the accrued and discretionary benefits to Peter Harold under the executive STIB scheme, Peter Harold will be entitled to be paid an accrued STIB based on 100% of Peter Harold's fixed remuneration per annum.
- Under Tranche 1 of the 2010 ES Plan, Peter Harold was entitled to be issued a maximum of 520,000 shares in the Company on 1 July 2012 at zero cost, dependent upon the performance of the Company relative to a group of selected peers over a two year period that commenced on 1 July 2010 and ended on 1 July 2012 (Performance Period). The peer group comprised those companies within the S&P / ASX 300 Metals & Mining Index at the commencement of the Performance Period. The peer group was ranked in terms of relative total shareholder return (TSR), which is the percentage increase in each Company's share price plus reinvested dividends over the Performance Period adjusted for bonus issues, subdivisions and consolidations of capital. Relative TSR was selected as the LTI performance hurdle as it ensured an alignment between comparative shareholder return and reward for the share rights holder. Shares were to be allotted to Peter Harold provided that the TSR ranking, as determined by an independent external advisor on behalf of the Remuneration Committee, of the Company at the end of the Performance Period was at or above the 50th percentile of the peer group. **On 1 July 2012, the TSR ranking of the Company was below the 50th percentile of the peer group and as a consequence no shares were allotted to employees under Tranche 1 of the 2010 ES Plan, including Peter Harold.**
- Under Tranche 2 of the 2010 ES Plan, Peter Harold will be entitled to be issued a maximum of 520,000 shares in the Company on 31 December 2013 at zero cost, dependent upon the performance of the Company relative to a group of selected peers over a 30 month period that commenced on 1 July 2011 and ends on 31 December 2013 (Performance Period). The peer group comprises those companies within the S&P / ASX 300 Metals & Mining Index at the commencement of the Performance Period. The peer group is to be ranked in terms of relative total shareholder return (TSR), which is the percentage increase in each Company's share price plus reinvested dividends over the Performance Period adjusted for bonus issues, subdivisions and consolidations of capital. Relative TSR was selected as the LTI performance hurdle as it ensures an alignment between comparative shareholder return and reward for the share rights holder. Shares will be allotted to Peter Harold provided that the TSR ranking, as determined by an independent external advisor on behalf of the Remuneration Committee, of the Company at the end of the Performance Period is at or above the 50th percentile of the peer group. At the 50th percentile, Peter Harold will be entitled to 25% of the shares, increasing proportionately to 50% at the 60th percentile. At the 60th percentile, Peter Harold will be entitled to 50% of the shares, increasing proportionately to 100% at the 75th percentile.
- If the Company terminates Peter Harold's Contract, or Peter Harold is terminated after a Change of Control of the Company, other than lawfully in accordance with its terms, then, subject to the TSR performance of the Company relative to the applicable peer group for the Performance Period ending on the date that notice of termination is given or employment ceases, Peter Harold will be entitled to a pro-rata portion (calculated on a daily basis) of his 2010 ES Plan Tranche 2 performance rights vesting earlier than the dates originally set down.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Other Named Executives

All other named executives are employed under individual open common law employment contracts. These executives and the commencement date of their contracts are as follows:

Named Executive	Date of Commencement of Employment Contracts	Position
Trevor Eton	2 February 2009	Chief Financial Officer & Company Secretary
Christopher Williams	6 February 2012	General Manager – Project Development & Technical Services
Terry Strong	6 February 2012	General Manager – Nickel Operations
John Hicks	14 March 2013	General Manager - Exploration
Robert Thorburn	1 November 2009	Operations Manager – Lanfranchi Project
Tim Mason	7 May 2013	Operations Manager – Lanfranchi Project
Mark Recklies	23 January 2012	Operations Manager – Savannah Project

Employment Contracts

The common key features of the above named executives' employment contracts are:

- Each may resign from his position and thus terminate his contract by giving 3 months written notice. Any vested unlisted options not exercised will be forfeited 4 weeks from the date of resignation.
- The Company may terminate a named executive's employment contract by providing 4 months written notice or provide payment based on each named executive's fixed remuneration per annum in lieu of the notice period. In the event of a termination in employment through a Change in Control of the Company, the Company will provide 6 months written notice or provide payment based on each named executive's fixed remuneration per annum in lieu of notice. Upon notice of termination by the Company, any unlisted LTI options that have vested, or will vest during the notice period will be able to be exercised until the expiry date. Any unlisted LTI options that have not yet vested will vest immediately upon the date that notice of termination is given, unless termination is from serious misconduct in which case the options not yet vested will be forfeited. If a named executive is terminated after a Change of Control of the Company, other than lawfully in accordance with its terms, then, subject to the TSR performance of the Company relative to the applicable peer group for the Performance Period ending on the date that notice of termination is given or employment ceases, each named executive will be entitled to a pro-rata portion (calculated on a daily basis) of his 2010 ES Plan Tranche 2 performance rights vesting earlier than the dates originally set down.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. When termination with such cause occurs, the named executive is only entitled to that portion of remuneration which is fixed, and only up to the date that notice of termination is given. On termination with such cause, any unvested options or LTI grants in the form of performance rights will immediately be forfeited. Any vested unlisted options not exercised within 4 weeks of such notice of termination will be forfeited.
- Under the 2010 ES Plan, the named executives were given LTI grants at zero cost over two tranches:

Named Executive	Tranche 1* LTI Grants	Tranche 2 LTI Grants	Total LTI Grants
Trevor Eton	295,000	295,000	590,000
Christopher Williams	295,000	295,000	590,000
Terry Strong	197,500	197,500	395,000
John Hicks	197,500	197,500	395,000
Robert Thorburn	197,500	197,500	395,000
Tim Mason	25,000	25,000	50,000
Mark Recklies	40,000	40,000	80,000
Total LTI grants	**1,247,500**	**1,247,500**	**2,495,000**

**** The vesting date of Tranche 1 of performance rights was 1 July 2012. The performance conditions for the vesting of these performance rights were not satisfied and Tranche 1 of performance rights under the 2010 ES Plan lapsed with no shares in the Company being allotted to the named executives.***

The terms and conditions of the LTI grants under the 2010 ES Plan are provided under the terms of Peter Harold's employment contract on page 17. The amounts in Table 1 on pages 19 and 20 allocated under the 2010 ES Plan to each executive is the value calculated under the accounting standards to be expensed by the Company and does not, in every case, represent the ultimate value, if any, received by the named executive.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Table 1: Remuneration of Directors and Executives Officers

The remuneration in Table 1 of each named person is the total of fixed remuneration (base salary, superannuation and non-monetary benefits) and variable remuneration (short term and long term incentives). Excluding the cash component of remuneration, the total remuneration shown is the amount expensed by the Company and does not, in every case, represent what each named individual ultimately received.

2013	Short-term incentive benefits				Post-employment benefits		Long-term incentive Plans					
Name	Cash salary and fees	Paid Bonus	Accrued Bonus	Other Benefits	Super-annuation	Retirement benefits	Executive Options	Employee Shares	Long Term Shares (a)(b)	Termination / Resignation payments	Total	Performance related
	$	$	$	$	$	$	$	$	$	$	$	%
Executive Directors												
P J Harold	584,250	-	-	11,441	52,583	-	-	-	240,115	-	888,389	27
Non-Executive Directors												
C D J Langdon	118,887	-	-	5,647	-	-	-	-	-	-	124,534	-
J Rowe	118,887	-	-	5,647	-	-	-	-	-	-	124,534	-
B M Phillips	170,574	-	-	5,647	-	-	-	-	-	-	176,221	-
Executives												
T R Eton	317,300	-	-	11,441	28,557	-	-	-	131,610	-	488,908	27
C J Williams	317,300	-	-	5,647	28,557	-	-	-	131,610	-	483,114	27
T J Strong	299,250	-	-	5,647	26,933	-	-	-	88,112	-	419,942	21
J D Hicks (c)	62,893	-	-	3,587	5,660	-	-	-	26,355	-	98,495	27
M A Recklies	268,654	-	-	5,647	24,179	-	-	-	17,845	-	316,325	6
R J Thorburn (d)	247,183	-	-	4,809	29,744	-	-	-	74,895	314,503	671,134	11
T S Mason (e)	26,442	-	-	838	2,380	-	-	-	1,694	-	31,354	5
	2,531,620	**-**	**-**	**65,998**	**198,593**	**-**	**-**	**-**	**712,236**	**314,503**	**3,822,950**	**19**

(a) Long Term Shares amount is the non-cash amortisation expense for the period in relation to granted performance rights to shares
(b) Includes the amortisation expense of Tranche 1 of the LTI Share Rights, which subsequently lapsed with no benefit to the holder on 1 July 2012
(c) From 14 March 2013
(d) Mr. R Thorburn left the Company on 7 May 2013
(e) From 7 May 2013

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Table 1: Remuneration of Directors and Executives Officers (continued)

2012	Short-term incentive benefits				Post-employment benefits		Long-term incentive Plans					
Name	Cash salary and fees	Paid Bonus	Accrued Bonus	Other Benefits	Super-annuation	Retirement benefits	Executive Options	Employee Shares	Long Term Shares (a)(b)	Termination / Resignation payments	Total	Performance related
	$	$	$	$	$	$	$	$	$	$	$	%
Executive Directors												
P J Harold	603,188	123,000	-	9,811	58,832	-	-	-	675,122	-	1,469,953	54
Non-Executive Directors												
C J G de Guingand (c)	68,308	-	-	1,632	-	-	-	-	-	-	69,940	-
C D J Langdon	125,144	-	-	4,284	-	-	-	-	-	-	129,428	-
J Rowe	125,144	-	-	4,284	-	-	-	-	-	-	129,428	-
B M Phillips (d)	152,741	-	-	4,284	-	-	-	-	-	-	157,025	-
Executives												
T R Eton	329,500	65,900	-	9,811	35,586	-	-	-	350,829	-	791,626	53
C J Williams	329,500	65,900	-	4,284	35,586	-	-	-	350,829	-	786,099	53
T J Strong	313,898	61,500	-	4,284	33,786	-	-	-	234,877	-	648,344	46
S A Jessop (e)	97,641	28,000	-	1,479	11,308	-	-	-	81,081	83,312	302,821	36
M A Recklies	266,333	53,000	-	1,866	28,809	-	-	-	47,570	-	397,578	25
R J Thorburn	279,615	56,000	-	4,284	32,030	-	-	-	234,877	-	606,806	48
	2,691,012	**453,300**	**-**	**50,303**	**235,937**	**-**	**-**	**-**	**1,975,185**	**83,312**	**5,489,048**	**44**

(a) Long Term Shares amount is the non-cash amortisation expense for the period in relation to granted performance rights to shares
(b) Includes the amortisation expense of Tranche 1 of the LTI Share Rights, which subsequently lapsed with no benefit to the holder on 1 July 2012
(c) Mr C de Guingand retired as non-executive Chairman on 17 November 2011
(d) Mr. B Philips commenced as non-executive Chairman on 17 November 2011
(e) Mr. S Jessop resigned from the Company on 4 November 2011
Additional Note:
1."Paid Bonus" in Table 1 is a STIB granted in relation to the preceding financial year. In 2012, the Paid Bonus was a STIB Discretionary Cash Bonus granted in relation to the preceding 2011 Financial Year.

Table 2 : Securities granted as part of remuneration during the year

(i) Options - 2012/13

No options were granted during 2012/13.

(ii) Performance Rights to Shares - 2012/13

No performance rights to shares were granted during 2012/13.

(i) Options - 2011/12

No options were granted during 2011/12

(ii) Performance Rights to Shares - 2011/12

No performance rights to shares were granted during 2011/12.

Performance rights to shares granted as a part of executive remuneration have been externally valued using a Monte-Carlo simulation model, which takes account of factors including the current level and volatility of the underlying share price, the risk free rate, expected dividends on the underlying share, the current market price of the underlying share and Total Shareholder Return (TSR) hurdles that must be met before the Share Based Payment vest to the holder.

When applicable, options granted as a part of executive remuneration are externally valued using a Black Scholes option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk free rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option.

There were no ordinary shares issued to key management personnel on the exercise of securities during the financial year and there have been no ordinary shares issued to key management personnel on the exercise of securities since 30 June 2013.

There have been no options granted over unissued ordinary shares to key management personnel since 30 June 2013.

Table 3 : Securities holdings of directors and specified executives

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

2013	Balance at beginning of period	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period	Vested at 30 June 2013		
	1 July 2012				30 June 2013	Total	Not Exercisable	Exercisable
(i) Performance Rights								
Directors								
P J Harold	1,040,000	-	-	(520,000)	520,000	-	-	-
Executives								
T R Eton	590,000	-	-	(295,000)	295,000	-	-	-
C J Williams	590,000	-	-	(295,000)	295,000	-	-	-
T J Strong	395,000	-	-	(197,500)	197,500	-	-	-
J D Hicks	395,000	-	-	(197,500)	197,500	-	-	-
R J Thorburn	395,000	-	-	(395,000)	-	-	-	-
M A Recklies	80,000	-	-	(40,000)	40,000	-	-	-
T S Mason	50,000	-	-	(25,000)	25,000	-	-	-
Total	**3,535,000**	**-**	**-**	**(1,965,000)**	**1,570,000**	**-**	**-**	**-**

2012	Balance at beginning of period	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period	Vested at 30 June 2012		
	1 July 2011				30 June 2012	Total	Not Exercisable	Exercisable
(i) Performance Rights								
Directors								
P J Harold	1,040,000	-	-	-	1,040,000	-	-	-
Executives								
T R Eton	590,000	-	-	-	590,000	-	-	-
C J Williams	590,000	-	-	-	590,000	-	-	-
T J Strong	395,000	-	-	-	395,000	-	-	-
S A Jessop	395,000	-	-	(395,000)	-	-	-	-
J D Hicks	395,000	-	-	-	395,000	-	-	-
R J Thorburn	395,000	-	-	-	395,000	-	-	-
M A Recklies	80,000	-	-	-	80,000	-	-	-
T S Mason	50,000	-	-	-	50,000	-	-	-
Total	**3,930,000**	**-**	**-**	**(395,000)**	**3,535,000**	**-**	**-**	**-**

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Table 4: Securities granted and exercised as part of remuneration for the year ended 30 June 2013

2013	Value of securities granted during the year	Value of securities exercised during the year	Value of securities lapsed during the year	Remuneration consisting of securities for the year
	$	$	$	%
(i) Performance Rights				
T R Eton	-	-	347,498	-
C J Williams	-	-	347,498	-
T J Strong	-	-	232,646	-
J D Hicks	-	-	232,646	
M A Recklies	-	-	47,118	-
R J Thorburn	-	-	445,549	-
T S Mason			29,449	-
P J Harold	-	-	872,404	-

2012	Value of securities granted during the year	Value of securities exercised during the year	Value of securities lapsed during the year	Remuneration consisting of securities for the year
	$	$	$	%
(i) Performance Rights				
T R Eton	-	-	-	-
C J Williams	-	-	-	-
T J Strong	-	-	-	-
S A Jessop	-	-	216,859	-
M A Recklies	-	-	-	-
R J Thorburn	-	-	-	-
P J Harold	-	-	-	-

Note: The value of securities lapsed includes the value of securities that did not vest and in the case of employees having left the Company during the period, the total value of securities foregone.

There were no alterations to the terms and conditions of securities granted as remuneration since their grant date.

There were no forfeitures during the period.

This marks the end of the 2013 Remuneration Report.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

ENVIRONMENTAL REGULATION

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its mining and exploration activities. The Group's management monitors compliance with the relevant environmental legislation. The directors are not aware of any breaches of the legislation during the period covered by this report.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Panoramic Resources Limited support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement is attached to the Directors' Report and forms a part of the Directors' Report.

AUDITORS INDEPENDENCE

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of Panoramic Resources Limited with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2013. This Independence Declaration is attached to the Directors' Report and forms a part of the Directors' Report.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. 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.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Tax Compliance	$49,915

Signed in accordance with a resolution of the directors

Peter Harold
Managing Director
Perth, 29 August 2013

Competent Person Statement

The information in this release that relates to Exploration Results is based on information reviewed by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee of Panoramic Resources Limited. Mr Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Panoramic Resources Limited ("the Board") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Panoramic Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement outlines the main corporate governance practices in place throughout the financial year, which comply with Australian Stock Exchange ("ASX") Corporate Governance Council ("CGC") June 2010 amendments to the *August 2007 "Corporate Governance Principles and Recommendations (Second Edition)"* ("the Recommendations"), unless otherwise stated.

As required under ASX Listing Rule 4.10.3, the Company makes the following disclosures in relation to each of the Recommendations.

PRINCIPLE 1: LAY FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Primary Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

Board Operation

To ensure the Board is well equipped to discharge its responsibilities, as substitute for a Board Charter it has established written guidelines for the operation of the Board. A written guide on the roles of the Board and committees sets out the overriding functions and responsibility of the Board, while a second guide sets out more specific guidelines on the statutory roles and on the separate duties of the Managing Director to the rest of the Board. In addition, Article 11 of the Company's Constitution (November 2008) ("Constitution") details on the specific powers and duties of directors as empowered on them by the Company's shareholders. All these documents can be accessed on the Company's website at *www.panoramicresources.com* under the Corporate Governance section.

Board Processes

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for executive management and monitoring the achievement of these goals. The Board has established a framework for the management of the Company and its controlled entities, a framework which divides the functions of running the Company between the Board, the Managing Director and the senior executives. The Board has put in place a system of internal control, a pro-active business risk management process, and has the task of monitoring financial performance and the establishment of appropriate ethical standards. The agenda for meetings of the Board is prepared by the Managing Director. Standard items include the project reports, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Senior executives are regularly involved in Board discussions.

Evaluation of Managing Director and Executive Performance

The Managing Director and the senior executives are ultimately responsible for the day to day running of the Company. The Board has in place a performance appraisal and remuneration system for the Managing Director and senior executives designed to enhance performance. Management performance is reviewed on an annual basis. The criterion for the evaluation of the Managing Director and each executive is their performance against key performance indicators. In addition, the Board monitors and evaluates the performance of the Managing Director and senior executives as appropriate.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board

The names of the directors of the Company in office at the date of the Statement are set out in the Directors' Report.

The composition of the Board is determined using the following principles:

- The Board currently comprises four directors. Under Article 10 of the Company's Constitution, this number may be increased to a maximum of ten directors where it is required due to a commercial alliance, or felt that additional expertise is required in specific areas, or when an outstanding candidate is identified;
- The Board should comprise directors with a broad range of expertise with an emphasis on commercial, exploration, mining and project development related experience; and
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure of executive directors is linked to their holding of executive office.

The Board reviews its composition as required to ensure that the Board has the appropriate mix of commercial, financial and mining skills, technical expertise, industry experience, and diversity (including, but not limited to gender and age) for which the Board is looking to achieve in its membership. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, candidates with the appropriate experience, expertise and diversity are considered. Each incumbent director is encouraged, and given the opportunity to meet with each candidate on a one to one basis. The full Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Independence

The composition of the Board is considered to be appropriate for a Company that has a sustainable producing business and is active in acquiring and developing new projects. As at the date of this report, the majority of non-executive directors, including the Chairman, are considered independent of management and directly or indirectly, individually hold less than 5% of the issued ordinary shares of the Company.

Conflict of Interest

In accordance with Section 191 of the *Corporations Act 2001* and Article 10.13 of the Company's Constitution, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

CORPORATE GOVERNANCE STATEMENT

Board Performance

There is no formal performance appraisal system in place for Board performance on a director by director basis. In April 2013, each director completed a self-performance appraisal by answering a set of specific questions rating their own performance since assuming office and their personal view on the performance of the whole Board. The Board has agreed to complete these self-performance appraisal surveys on a regular as part of implementing a more formal performance appraisal system. Membership of the Audit Committee by non-executive directors is initially for a three year period, with an annual renewal review thereafter with performance being one criteria in order to retain office.

Director Education

The non-executive directors are given every opportunity to gain a better understanding of the business, the industry, and the environment within which the Company operates, and are given access to continuing education opportunities to update and enhance their skills and knowledge. Directors visit each mining operation at least once a year, and meet with executives on a regular basis to enable directors to maintain an understanding of the roles and responsibilities of executives and of the culture and values within the Company.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of the advice received by the director is made available to all other members of the Board.

Board Committees

To facilitate the execution of its responsibilities, the Board's Committees provide a forum for a more detailed analysis of key issues. Each Committee is entitled to the resources and information it requires to carry out its duties, including direct access to advisors and employees. Membership of the current Committees of the Panoramic Board are set out in the Directors' Report. The names and functions of each Committee is set out below:

- ***Audit Committee***

The Audit Committee consists of all non-executive directors. The Audit Committee is to oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. The Audit Committee is also to review: the effectiveness of internal controls, recommendation and the appointment and assessing the performance of the external auditor; the Company's process for monitoring compliance with laws and regulations affecting financial reporting and, if applicable, its code of business conduct. The Audit Committee operates under an *Audit Committee Charter* that is reviewed by the committee and is re-approved or changed by the full Board on a bi-annual basis.

- ***Remuneration Committee***

The Remuneration Committee consists of all non-executive directors. The role of the Remuneration Committee is to review remuneration packages and policies applicable to the Managing Director, other executive directors (if applicable) and senior executives and to monitor the scope and currency of the Company's Diversity Policy. The remuneration of executive directors is determined by reference to relevant employment market conditions and of the attainment of defined Company goals. The remuneration of senior executives is determined by the Remuneration Committee based on recommendations provided by the Managing Director. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages.

There is increased transparency and accountability in remuneration matters as required in the *Improving Accountability on Director and Executive Remuneration Bill 2011*. There are now rules for engaging remuneration consultants and on reporting specific information about remuneration consultants in the audited Remuneration Report in the Directors' Report. The Company's audited 2013 Remuneration Report includes these reporting obligations.

Further details of remuneration arrangements in place for the directors and executives are set out in the Directors' Report.

- ***Environment, Safety and Risk Committee***

The Environment, Safety and Risk Committee consist of all directors. The role of the Environment, Safety and Risk Committee is to oversee and monitor the effectiveness of the Group's strategies and systems to ensure that the Company complies with external and internally accepted standards for the impact of business activities on the environment, the safety and well being of employees, and on the control and management of the key risks facing the business. Where possible, the Committee meets during Board visits to the mining operations whereby the members of the Committee are able to directly inter face with the senior managers responsible for environmental issues, occupational health and safety and the control and mitigation of non-financial risks. The Committee also nominates a non-executive director to attend and be actively involved in the Group's safety conferences. The Committee operates an *Environment, Safety and Risk Committee Charter* that is reviewed by the committee and is re-approved or changed by the full Board on a bi-annual basis.

This charter can be accessed on the Company's website at www.panoramicresources.com under the Corporate Governance section.

- ***Nomination Committee***

Due to the size of the Board and the small senior executive team, the Board has determined there is no benefit at this time of establishing a nomination committee. The functions of the nomination committee are performed by the Board as a whole, when required, using the guidelines established for setting the composition of the Board.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

All directors, executives, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the performance and reputation of the Company and its controlled entities.

Code of Conduct

The Company has established a written *Code of Conduct* which outlines the culture, practices, expected conduct, values and behaviour to be displayed by all employees in upholding the integrity, reputation and accountability of the Company and its controlled entities in the work environment and in the interactions with the Company's various

CORPORATE GOVERNANCE STATEMENT

stakeholders. Certain practices are necessary to comply with Federal and Western Australian State industrial legislation and the Corporations Law. The Code of Conduct has a clear responsibility and accountability of employees for reporting and investigating reports of unethical practices by reference to specific rules and policies such as the rules for trading in the Company securities, and the policy on discrimination, harassment and bullying.

This code can be accessed on the Company's website at www.panoramicresources.com under the Corporate Governance section.

Diversity Policy

The Company has in place a *Diversity Policy* which provides the written framework and objectives for achieving a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences, and perspectives, irrespective of gender, age, ethnicity and cultural background. The Board is responsible for developing, where possible, measurable objectives and strategies to support the framework and objectives of the Diversity Policy. The Remuneration Committee is responsible for monitoring the progress of the measurable objectives through various monitoring, evaluation and reporting mechanisms.

Apart from participation rates established for indigenous employment at the Savannah Nickel Project prescribed under the 2007 Savannah Co-Existence Agreement (and as reported below), the Board has not determined measurable objectives on gender diversity across the workplace and at the Board level. In the coming financial year, the Board is to continue to oversee the development of new programs to achieve a broader pool of skilled and experienced senior management and Board candidates, and if deemed appropriate, identify future and targeted measurable objectives and strategies on gender diversity.

Pursuant to *Recommendation 3.3* of the Recommendations, the Company discloses the following information as at the date of this report:

- Percentage of women and men employed within the Group – women: 9%; men: 91%;
- Percentage of women and men employed at the senior management level – women: 13%; men: 87%;
- Percentage of women and men employed at the Board level – women: nil; men: 100%; and
- Percentage of indigenous employees at the Savannah Nickel Project – 13% (objective by November 2015: 30%)

The Diversity Policy can be accessed on the Company's website at www.panoramicresources.com under the Corporate Governance section.

Trading in Company securities by directors, officers and employees

The Company has in place a Share Trading Policy for the trading in Company securities by directors, key management personnel, officers and employees as required under ASX Listing Rule 12.12. The Policy is worded to ensure compliance with Section 1043A of the Corporations Law (on insider trading), Part 2D.1 of the *Corporations Act 2001* (on the proper duties in relation to the use of inside information), and ASX Listing Rules 3.19A, 12.9, 12.10, and 12.11. The Managing Director has been appointed to ensure that the following rules for the trading in Company's securities are strictly adhered to:

- Trading in Company securities is only permitted following the notification of the intention to trade by submitting a Notification Form with the Managing Director and dealing is not to occur until a receipt of confirmation is received from the Managing Director or, in the case of the Managing Director, from the Chairman;
- Trading in Company securities is prohibited at any time when in possession of unpublished information, which if generally available, might materially affect the price or value of those securities;
- Trading in Company securities is prohibited during specified prohibited periods, known as black-out periods;
- Active trading in Company securities, which involves frequent and regular trading in those securities with a view to derive profit related income from that activity, is prohibited;
- The entering into contracts to hedge exposure to equity-based remuneration, is prohibited; and
- Only in exceptional circumstances, can approval be obtained in advance from the Managing Director, or in the case of a director, from the other directors, to trade outside the specified prohibited periods.

This Share Trading Policy can be accessed on the Company's website at www.panoramicresources.com under the Corporate Governance section.

Discrimination, Harassment and Bullying Policy

The Company is committed to providing a work environment that is safe, fair and free from discrimination, harassment and bullying for all employees of the Company. All employees are encouraged to follow adopted procedures allowing concerns or instances of illegal conduct or malpractice to be raised in good faith without being subjected to victimisation, harassment or discriminatory treatment, and to have such concerns or instances properly investigated. The Policy provides a mechanism by which all employees can confidentially report improper conduct without fear of discrimination. This policy document can be accessed on the Company's website at www.panoramicresources.com under the Corporate Governance section.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Managing Director and Chief Financial Officer are required to state in writing to the Audit Committee and the Board that the Company's and Group's financial reports present a true and fair view, in all material aspects, of the Company's and Group's financial condition and that operational results are in accordance with relevant accounting standards. The Audit Committee reviews all final draft external financial reports with the external auditor and makes recommendations on their adequacy to the Board prior to their release to shareholders, investors and other public forums. There is regular communication between the Audit Committee, management and external auditor. In accordance with Section 324DA of the *Corporations Act 2001*, the audit partner of the external auditor is required to be rotated after five successive financial years. It is the role of the Audit Committee to select the new audit engagement partner as nominated by the external partner after considering each nominated individual's experience, reputation and independence.

In addition, the Audit Committee reviews, assists and assesses the adequacy of the Company's internal control and financial risk management systems, and accounting and business policies.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company is committed to providing relevant up to date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Law.

The Company has a Continuous Disclosure Policy that all shareholders and investors have equal access to the Company's information. This policy has been updated and approved by the full Board to comply with the May 2013 amendments to ASX Listing Rule 3.1 and Guidance Note 8 of the Recommendations. This document and all material announcements provided to the ASX can be accessed on the Company's website at *www.panoramicresources.com*.

The Company has appointed the Company Secretary to oversee the continuous disclosure practices of the Company and its controlled entities. His responsibilities include:

- Reviewing all statutory regulatory or tender reports submitted to or made by the Company and its controlled entities, and to report or recommend to the Board as appropriate;
- Ensuring compliance with continuous disclosure requirements;
- Overseeing and coordinating the disclosure of information to the ASX, analysts, brokers, shareholders, the media and public; and
- Educating directors and staff of the Company's and Group's disclosure policies and procedures and raising awareness of the principles of the underlying continuous disclosure.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Board in adopting a Continuous Disclosure Policy ensures that shareholders are provided with up to date Company information. Communication to shareholders is facilitated by the production of the annual report, quarterly reports, public announcements, and the posting of policies, and ASX releases immediately after their disclosure to the ASX, on the Company's website. In addition, all shareholders are encouraged to attend the Annual General Meeting and use the opportunity to ask questions following the Managing Director's presentation. The Company makes every endeavour to respond to the most commonly asked questions. The external auditor attends the meeting and is available to answer questions in relation to the conduct of the audit.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board believes that risk management and compliance are fundamental to sound management and that oversight of such matters is an important responsibility of the Board. The Company has significantly changed the risk management framework through the progressive development of an enterprise-wide software database on the inherent risks and risk mitigation strategies identified across all functions of the business, including occupational, health, safety and environment (OHS&E). This Board sanctioned approach is in accordance with Australian/New Zealand Standard for Risk Management (*AS/NZS 4360 2004*) and is aligned to the control framework for enterprise risk management prepared by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) in 2001. The framework has involved the Company undertaking a comprehensive review of the different elements across the various financial, administrative and operational functions at the Company's mine sites and Perth office and in identifying the risks inherent in each element and the appropriate risk management internal controls, systems and response procedures to mitigate their impact on strategic, operational and financial performance. For example, there are a number of risks the Company's sites are exposed to that are both common to the mining industry and unique due to location such as, but not limited to:

- exposure to fluctuations in commodity prices and the United States currency foreign exchange rate;
- customer declaration of force majeure;
- health, safety, industrial and environment matters;
- production capacity;
- future delivery against committed financial derivatives; and
- regulatory constraints, compliance, the impact of climate change and natural disasters.

The review also examined the effectiveness of internal controls, systems and response procedures that were in place in previous years. The first comprehensive review on each element and function across the Group, including the setting of various risk appetite tolerance thresholds by the senior management group was completed in 2012, followed by approval by the full Board of the *Risk Management Guideline (August 2012)* which details on the enterprise wide risk management framework and the process, roles and responsibilities for conducting each new comprehensive review. A condensed version of the guideline is available on the Company's website at *www.panoramicresources.com*.

The Board has established a committee of the Board, the Environment, Safety and Risk Committee. The Committee's Charter (November 2011) states that the Committee will oversee the Company's management of financial and non-financial risks at the operations in accordance with the established risk management framework while always taking into account the Company's legal obligations set by the Federal and State statutory law makers on, but not limited to, environment, employment and occupational health and safety.

The reporting and control mechanisms, together with the assurances of the Environment, Safety and Risk and Audit Committees, support the annual written certification, in accordance with Section 295A of the *Corporations Act 2001* given by the Managing Director and the Chief Financial Officer to the Board certifying that the Company's financial reports are based on a sound system of ris k management and internal control and that the system is operating effectively.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Board Remuneration

The total annual remuneration paid to non-executive directors may not exceed the limit set by the shareholders at an annual general meeting (currently $600,000). The remuneration of the non-executive directors is fixed rather than variable.

Executive Remuneration

The Board has established a committee of the Board, the Remuneration Committee. The Remuneration Committee provides recommendations and direction for the Company's remuneration practices. The Committee ensures that a significant proportion of each executive's remuneration is linked to his or her performance and the Company's performance. Performance reviews are conducted regularly to determine the proportion of remuneration that will be at 'risk' for the upcoming year. The Company's executives can participate in a performance share rights plan that is linked to the Company's performance against its peers in the resources industry. The Committee also ensures that there is no discrimination on remuneration in respect to gender.

Further details in relation to director and executive remuneration are set out in the 2013 Remuneration Report on pages 12 to 22.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Panoramic Resources Limited, I state that:

1. In the opinion of the directors:

    (a) The financial report and the additional disclosures included in the directors' report designated as audited of the consolidated entity are 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 Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

    (b) There are reasonable grounds to believe that the parent entity will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2013.

3. In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 34 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Peter Harold
Managing Director
Perth, 29 August 2013

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report to the members of Panoramic Resources Limited

Report on the financial report

We have audited the accompanying financial report of Panoramic Resources 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 controls as the directors determine are necessary to enable the preparation of the financial report that 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. 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.

RK:DJ:PAN:026

INDEPENDENT AUDITOR'S REPORT

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Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Panoramic Resources 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.

Report on the remuneration report

We have audited the Remuneration Report included in 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 Panoramic Resources Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Robert A Kirkby
Partner
Perth
29 August 2013

AUDITOR'S INDEPENDANCE DECLARATION

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Auditor's Independence Declaration to the Directors of Panoramic Resources Limited

In relation to our audit of the financial report of Panoramic Resources Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Robert A Kirkby
Partner
29 August 2013

RK:DJ:PAN:027

FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		2013	2012
	Notes	$'000	$'000
Revenue	4	**181,765**	233,037
Cost of sales of goods	6	**(208,528)**	(221,928)
Gross margin on sale of goods		**(26,763)**	11,109
Other income	5	**3,825**	512
Other	6	**(8,944)**	(12,731)
Exploration and evaluation expenditure		**(2,682)**	(6,704)
Write-off of loan to related party		**-**	(1,869)
Mark to market of derivatives		**(2,141)**	(1,902)
Impairment of available-for-sale financial assets		**(138)**	(5,333)
Impairment of assets		**(7,888)**	-
Share based payments		**(693)**	(2,801)
Finance costs	6	**(1,563)**	(1,590)
Loss before income tax		**(46,987)**	(21,309)
Income tax benefit	7	**15,302**	3,097
Loss for the year		**(31,685)**	(18,212)
Loss for the year is attributable to:			
Owners of Panoramic Resources Limited		**(31,685)**	(18,212)
		Cents	**Cents**
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share	39	**(12.5)**	(8.6)
Diluted loss per share	39	**(12.5)**	(8.6)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

		2013	2012
	Notes	$'000	$'000
Loss for the year		**(31,685)**	(18,212)
Other comprehensive income			
Items that may reclassified to profit or loss			
Changes in fair value of available-for-sale financial assets, net of tax	26(a)	**(64)**	(166)
Changes in fair value of cash flow hedges, net of tax	26(a)	**(508)**	2,445
Exchange differences on translation of foreign operations	26(a)	**(1,712)**	734
Transfer from cash flow hedge reserve to net profit, net of tax	26(a)	**(5,071)**	(2,343)
Items that will not be reclassified to profit or loss			
Impairment of assets, net of tax	26(a)	**(4,537)**	-
Other comprehensive income for the year, net of tax		**(11,892)**	670
Total comprehensive income for the year		**(43,577)**	(17,542)
Total comprehensive income for the year is attributable to:			
Owners of Panoramic Resources Limited		**(43,577)**	(17,542)

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

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2013

		2013	2012
	Notes	$'000	$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**23,261**	39,368
Trade and other receivables	9	**21,670**	33,014
Inventories	10	**17,933**	14,002
Derivative financial instruments	13	**19**	8,724
Term deposits	11	**-**	6,617
Prepayments	12	**1,496**	1,564
Total current assets		**64,379**	103,289
Non-current assets			
Available-for-sale financial assets	14	**67**	4,952
Derivative financial instruments	13	**-**	205
Exploration and evaluation	17	**115,266**	84,272
Development properties	17	**80,942**	100,510
Mine properties	17	**26,678**	44,270
Property, plant and equipment	15	**82,756**	91,926
Other non-current assets	18	**438**	1,921
Total non-current assets		**306,147**	328,056
Total assets		**370,526**	431,345
LIABILITIES			
Current liabilities			
Trade and other payables	19	**27,069**	26,041
Borrowings	20	**3,724**	2,455
Derivative financial instruments	13	**232**	289
Provisions	21	**7,620**	7,657
Total current liabilities		**38,645**	36,442
Non-current liabilities			
Borrowings	22	**7,189**	7,190
Deferred tax liabilities	23	**23,627**	43,291
Provisions	24	**29,482**	36,931
Total non-current liabilities		**60,298**	87,412
Total liabilities		**98,943**	123,854
Net assets		**271,583**	307,491
EQUITY			
Contributed equity	25	**143,309**	133,765
Reserves	26(a)	**45,071**	56,270
Retained earnings		**83,203**	117,456
Total equity		**271,583**	307,491

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Contributed equity $'000	Mineral properties revaluation reserve $'000	Available-for-sale financial assets $'000	Cash flow hedge reserve $'000	Share-based payment reserve $'000	Foreign currency translation $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2011		104,675	31,252	230	5,477	15,887	-	143,950	301,471
Other comprehensive income		-	-	(166)	102	-	734	-	670
Loss for the year		-	-	-	-	-	-	(18,212)	(18,212)
Total comprehensive income for the year		**-**	**-**	**(166)**	**102**	**-**	**734**	**(18,212)**	**(17,542)**
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs and tax	25	29,090	-	-	-	-	-	-	29,090
Dividends provided for or paid	27	-	-	-	-	-	-	(8,282)	(8,282)
Employee share options - value of employee services		-	-	-	-	2,754	-	-	2,754
		29,090	-	-	-	2,754	-	(8,282)	23,562
Balance at 30 June 2012		**133,765**	**31,252**	**64**	**5,579**	**18,641**	**734**	**117,456**	**307,491**
Balance at 1 July 2012		133,765	31,252	64	5,579	18,641	734	117,456	307,491
Other comprehensive income		-	(4,537)	(64)	(5,579)	-	(1,712)	-	(11,892)
Loss for the year		-	-	-	-	-	-	(31,685)	(31,685)
Total comprehensive income for the year		**-**	**(4,537)**	**(64)**	**(5,579)**	**-**	**(1,712)**	**(31,685)**	**(43,577)**
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs and tax	25	9,544	-	-	-	-	-	-	9,544
Dividends provided for or paid	27	-	-	-	-	-	-	(2,568)	(2,568)
Employee share options - value of employee services		-	-	-	-	693	-	-	693
		9,544	-	-	-	693	-	(2,568)	7,669
Balance at 30 June 2013		**143,309**	**26,715**	**-**	**-**	**19,334**	**(978)**	**83,203**	**271,583**

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

		2013	2012
	Notes	$'000	$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**188,564**	229,528
Payments to suppliers and employees (inclusive of goods and services tax)		**(162,086)**	(184,263)
Interest paid		**(836)**	(353)
Income taxes refund		**-**	1,336
Payments for exploration and evaluation expense		**(2,684)**	(6,705)
Net cash inflow from operating activities	37	**22,958**	39,543
Cash flows from investing activities			
Payments for property, plant and equipment		**(8,962)**	(33,567)
Payments for available-for-sale financial assets		**-**	(6,900)
Payment of development costs		**(19,294)**	(20,873)
Payments for exploration		**(20,101)**	(19,167)
Proceeds from term deposits		**6,500**	(5,511)
Proceeds from cash backed bonds		**117**	-
Proceeds from sale of property, plant and equipment		**403**	222
Proceeds from sale of available-for-sale financial assets		**6,980**	-
Interest received		**1,115**	4,217
Net cash (outflow) from investing activities		**(33,242)**	(81,579)
Cash flows from financing activities			
Repayment of borrowings		**(3,255)**	(1,178)
Dividends paid to company's shareholders	27	**(2,568)**	(8,282)
Net cash (outflow) from financing activities		**(5,823)**	(9,460)
Net (decrease) in cash and cash equivalents		**(16,107)**	(51,496)
Cash and cash equivalents at the beginning of the financial year		**39,368**	90,864
Cash and cash equivalents at end of year	8	**23,261**	39,368

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Panoramic Resources Limited (the Parent or the Company) and its subsidiaries (the Group) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 29 August 2013.

Panoramic Resources Limited (the Parent) is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The principal activities of the Group during the course of the financial year consisted of exploration, evaluation, development, and production of mineral deposits.

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments, trade receivables and available-for-sale investments, which have been measured at fair value.

(b) New accounting standards and interpretations

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board.

(i) Changes in accounting policies and disclosures

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:

- Amendments to AASB 1038 - Regulatory Capital

  This Standard makes amendments to AASB 1038 *Life Insurance Contracts* as a consequence of changes to the Australian Prudential Regulation Authority's reporting requirements relating to life insurers, particularly Prudential Standard LPS 110 *Capital Adequacy*, applicable from 1 January 2013.

  Primarily the amendments align terminology by changing references to 'solvency' in AASB 1038 to 'capital'. A related explanatory paragraph is also removed.

- Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]

  These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 *Income Taxes - Recovery of Revalued Non-Depreciable Assets* into AASB 112.

- Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]

  This standard makes amendments including clarifying the definition of the ABS GFS Manual, facilitating the orderly adoption of changes to the ABS GFS Manual and related disclosures to AASB 1049.

- Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]

  This standard amends AASB 1049 to provide a further two-year period of transitional relief (from 30 June 2013 to 30 June 2015) from the requirement to adopt Chapter 2 Amendments to Defence Weapons Platforms of the ABS publication *Amendments to Australian System of Government Finance Statistics*, 2005 (ABS Catalogue No. 5514.0).

- Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income

  This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

(ii) Accounting Standards and Interpretations issued but not yet effective

- AASB 10 Consolidated Financial Statements

  AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities*.

  The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

  Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.

- AASB 11 Joint Arrangements

  AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities - Non-monetary Contributions by Ventures*.

  AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

  Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.

- AASB 12 Disclosure of Interests in Other Entities

  AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.

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- AASB 13 Fair Value Measurement

  AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

  AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

  Consequential amendments were also made to other standards via AASB 2011-8.

- AASB 119 Employee Benefits

  The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets.

  The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

  Consequential amendments were also made to other standards via AASB 2011-10.

- Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

  This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset".

  The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate.

  Consequential amendments were also made to other standards via AASB 2011-12.

- AASB 2012-2 Amendments to Australian Accounting Standards - *Disclosures - Offsetting Financial Assets and Financial Liabilities*

  AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met.

- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

  AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following:

  - Repeat application of AASB 1 is permitted (AASB 1)
  - Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).

- AASB 2012-9 Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039

  AASB 2012-9 amends AASB 1048 Interpretation of Standards to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia*.

- AASB 2011-4 Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]

  This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.

- AASB 1053 *Application of Tiers of Australian Accounting Standards*

  This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:

  (a) Tier 1: Australian Accounting Standards

  (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements

  Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

  The following entities apply Tier 1 requirements in preparing general purpose financial statements:

  (a) For-profit entities in the private sector that have public accountability (as defined in this standard)

  (b) The Australian Government and State, Territory and Local governments

  The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

  (a) For-profit private sector entities that do not have public accountability

  (b) All not-for-profit private sector entities

  (c) Public sector entities other than the Australian Government and State, Territory and Local governments.

  Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.

- AASB 2012-3 Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*

  AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

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- Interpretation 21 *Levies*

  This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.

- AASB 9 *Financial Instruments*

  AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

  These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

  (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

  (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

  (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

  (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
  - The remaining change is presented in profit or loss

  If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

  Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances.

  Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Panoramic Resources Limited and all entities that Panoramic Resources Limited controlled from time to time during the year and at the reporting date.

Information from the financial statements of subsidiaries is included from the date that the parent company obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control. Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(d) Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, and estimations which have the most significant effect on the amounts recognised in the financial statements.

(i) Determination of mineral resources and ore reserves

The Group estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Significant judgement is required in assessing the available reserves. Factors that must be considered in determining reserves and resources are the Company's history of converting resources to reserves and the relevant time frame, market and future developments.

Changes in the forecast prices of commodities, foreign currency exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

(ii) Impairment of capitalised exploration and evaluation expenditure

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved and probable reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

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To the extent that capitalised exploration and evaluation is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(iii) Impairment of capitalised mine development expenditure and mine properties

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The future recoverability of capitalised mine development expenditure and mine properties is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised mine development expenditure and mine properties is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

(iv) Impairment of property, plant and equipment

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash-generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Future production levels;
- Future commodity prices; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

Property, plant and equipment that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(v) Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques, discount rates or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

(vi) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by a Black Scholes model and a Binomial model, using the assumptions detailed in note 40.

(e) Revenue recognition

Revenue is recognised to the extent that 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:

(i) Sale of concentrates/ore

A sale is recorded when control of the concentrates/ore has passed to the buyer.

(ii) Interest income

Revenue is recognised as interest accrues using the effective interest 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.

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

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(f) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, finance charges in respect of finance leases and foreign currency exchange differences net of the effect of hedges of borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that take more than twelve months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the costs of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate to the extent that they relate to the qualifying asset.

Exploration and evaluation expenditure carried forward relating to areas of interest which have not reached a stage permitting reliable assessment of economic benefits are not qualifying assets.

(g) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in the banks short-term deposits with an original maturity not exceeding three months and if greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts.

(i) Term deposits

Term deposits are stated at nominal value. These deposits have original maturity of three months or more.

(j) Trade receivables

(i) Nickel concentrate

Mining revenue from nickel concentrate sales exported from the Savannah Nickel Project is recognised at its provisional price on the day the product has been shipped from port. 100% of the provisional value is payable in approximately 7 working days from the issue of a provisional invoice. At each reporting date, provisional priced nickel is marked to market based on the forward selling price for the quotational period stipulated in the contract until the quotational period expires and change in fair value is recognised as revenue. Increments and decrements in the final measured contained nickel in nickel concentrate delivered to the customer are brought to account upon presentation of the final invoice.

(ii) Nickel ore

Mining revenue from Lanfranchi nickel ore delivered to the Kambalda concentrator is recognised at its provisional price net of the amount goods and services tax (GST) payable to the taxation authority. 70% of the provisional invoice is payable one month after issue. Revenue is recognised based on the estimated fair value of the consideration receivable. At each reporting date, provisional priced nickel is marked to market based on the forward selling price for the quotational period stipulated in the contract until the quotational period expires and change in fair value is recognised as revenue.

(iii) Other receivables

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(k) Inventories

(i) Raw materials and stores, work in progress and finished goods

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing inventory to its present location and condition are accounted for as follows:

- ore stocks - cost of direct mining and a proportion of site overheads; and
- concentrates and work in progress - cost of direct mining, processing, transport and labour and a proportion of site overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Spares for production

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such items are valued at net realisable value.

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(l) Derivative financial instruments and hedging

The Group uses derivatives such as United States dollar nickel and copper forward sales contracts, United States dollar nickel options, United States denominated currency options and United States denominated forward currency sales contracts to manage its risks associated with foreign currencies and commodity prices fluctuations. These derivative financial instruments are stated at fair value.

Derivatives are not held for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a cash flow hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A hedge of the foreign currency risk and commodity price risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in the fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a highly probable forecast transaction and that could affect profit and loss. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts deferred in equity are recycled in the income statement in the periods when the hedged item is recognised in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

The Group tests each of the designated cash flow hedges for effectiveness at the inception of the hedge and then at each reporting date both prospectively and retrospectively using the dollar offset method. This is done by comparing the changes in the present value of the cash flow arising from hedged forecast sale at the forward rate, compared to changes in the fair value of the forward contract. Measurement of the cash flow changes is based on the respective forward curve over the hedge horizon.

At each balance sheet date, the Group measures ineffectiveness using ratio offset method. For cash flow hedges if the risk is over-hedged, the ineffective portion is taken immediately to the income/expense in the income statement.

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

(m) Foreign currency translation

Both the functional and presentation currency of Panoramic Resources Limited and its Australian subsidiaries is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(n) Interest in jointly controlled assets

Interests in unincorporated joint venture assets are recognised by including in the respective classifications, the share of the individual assets employed and share of liabilities and expenses incurred from the date joint control commences to the date joint control ceases.

(o) Investments and other financial assets

(i) Available-for-sale financial assets

After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

Investments which are not classified as held for trading or held to maturity are treated as available-for-sale financial assets.

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(p) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets and liabilities are reassessed at each balance sheet date and reduced to the extent that it is no longer probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Panoramic Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Panoramic Resources Limited, 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 stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Panoramic Resources Limited 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.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Company. Details about the tax funding agreement are disclosed in note .

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(q) Other taxes

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the 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 as applicable; and
- 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 balance sheet.

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.

(r) Property, plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of plant and equipment constructed for and by the consolidated entity, where applicable, includes the cost of materials and direct labour. The proportion of overheads and other incidental costs directly attributable to its construction are also capitalised to the cost of plant and equipment.

Costs incurred on plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their useful lives. Costs incurred on plant and equipment that do not meet the criteria for capitalisation are expensed as incurred.

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Depreciation and amortisation

Depreciation and amortisation is calculated on a straight line basis over the estimated useful lives of the asset. The estimated useful lives used for each class of asset are as follows:

Office equipment	3 - 4 years
Office furniture and fittings	5 years
Plant and equipment under hire purchase	over the lease term
Plant and equipment under finance lease	over the lease term
Process plant and buildings	lesser of life of mine and life of asset

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Property, plant and equipment that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Derecognition and disposal

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.

Any gain or loss arising on derecognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(s) Exploration, evaluation, development, mine properties and rehabilitation expenditure

(i) Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation in the area of interest that have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are expensed as incurred.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area or, alternatively, by its sale.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation is assessed for impairment.

Impairment

The carrying value of capitalised exploration expenditure is assessed for impairment at the cash-generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(ii) Mine development expenditure

Mine development expenditure represents the costs incurred in preparing mines for production, and includes stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Impairment

The carrying value of capitalised mine development is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised mine development expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future

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cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Capitalised mine development expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(iii) Mine properties

Mine properties expenditure represents the cost incurred in the acquisition of a mining lease, and represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired mining lease at the date of acquisition. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases Once production commences, these costs are amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Impairment

The carrying value of capitalised mine properties is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised mine properties expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Mine property expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(iv) Provisions for decomissioning and rehabilitation

The Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation program, discounted to its net present value, is provided in the period in which obligation arise. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. Over time, the liability is increased for the change in net present value based on a risk adjusted pre-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is included in financing cost. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in the income statement on a prospective basis over the remaining life of the operation.

(t) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would be determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

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(u) Trade and other payables

Trade payables and other payables are carried at amortised costs and 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.

(v) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(w) Provisions

Provisions are recognised when the economic entity has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required 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, for example under an insurance contract, 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 income statement net of any reimbursement.

The effect of the time value of money is material and provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(x) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits 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 using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date of national government bonds with terms of maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

Equity-settled transactions

The Group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Monte-Carlo simulation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Panoramic Resources Limited if applicable.

The cost of equity-settled transactions is recognised, together with the corresponding increase in reserve, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. There is a corresponding entry to equity.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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(iv) Bonus plans

The Company recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(y) Contributed equity

Incremental costs directly attributable to the issue of new shares for the acquisition of a business are deducted from equity and not expensed as an acquisition related cost.

(z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(aa)Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(ab)Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

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2 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, finance leases, hire purchase contracts, cash and derivatives.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

To manage exposure to commodity prices and exchange rates the Group uses derivative instruments, principally forward sales contracts and put and call options. The purpose is to manage the commodity price and currency rate risks arising from the Group's operations. These derivatives provide economic hedges and qualify for hedge accounting and are based on limits set by the Board. The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, commodity price risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to commodity prices, interest rate and foreign currency exchange risk and assessments of market forecasts for commodity prices and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for the identification and control of financial risks rests with the Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for hedging cover of commodity prices, foreign currency and interest rate risk, credit allowances and future cash flow forecast projections.

(a) Foreign currency exchange rate risk

The Group has transactional currency exposures. Such exposure arises from sales or purchases in a currency other than the entity's functional currency. Approximately 100% of the Group's sales are denominated in United States Dollars, whilst most of the costs are denominated in Australian Dollars. The Group's functional currency is Australian Dollars.

The Group's profit and loss and balance sheet can be affected significantly by movements in the USD/AUD exchange rate. The Group seeks to mitigate the effect of its net foreign currency exposure by using derivative instruments, principally forward foreign currency exchange rate contracts and put and call options.

It is the Group's policy to enter into derivative instruments to hedge foreign currency exposure once the likelihood of such exposure is highly probable and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness. The Group will follow its current policy of matching and hedging up to 80% of sales revenues in USD.

Information about the Group's foreign currency exchange rate contracts is provided in note 13.

As 30 June 2013, the Group had the following exposure to USD foreign currency that is not designated in cashflow hedges.

	2013	2012
	$'000	$'000
Cash at bank	**7,538**	4,293
Trade receivables	**16,245**	28,968
Net exposure	**23,783**	33,261

Sensitivity

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date. The +/- 10% (2012: +/- 10%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of actual historical rates, for the Australian dollar to the US dollar, for the preceding 5 years and management's expectation of future movements.

At 30 June 2013, had the US dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements	Impact on post-tax profit		Impact on equity	
	2013	2012	2013	2012
	'000	'000	'000	'000
AUD to USD +10% (2012: +10%)	**1,231**	1,846	**-**	(354)
AUD to USD -10% (2012: -10%)	**(1,016)**	(1,511)	**(8)**	290

Management believes the balance sheet date risk exposures are representative of the risk inherent in the financial instruments.

(b) Interest rate risk

The Group has put in place a Cash Management Policy to ensure that up to 180 days (2012: 180 days) excess cash holdings are invested with a range of institutions that have sufficient financial strength to ensure the security of the investments. The Group policy is to reduce and manage cash flow interest rate risk by ensuing a timely reduction in debt obligations through scheduled debt repayments and non-scheduled debt repayments when excess cash is available.

	2013		2012	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$'000	%	$'000
Cash at bank and in hand	**2.9%**	**14,720**	1.7%	20,970

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The following sensitivity is based on the interest rate risk exposures in existence at the balance sheet date. The sensitivity used is +/- 75 basis points (2012: +/-50) which is based on reasonably, possible changes, over a financial year, using the observed range of actual historical Australian short term deposit rate movements over the last 3 years and management's expectation of future movements.

Sensitivity

		Interest rate risk			
At 30 June 2013	Carrying amount	-0.75%		+0.75%	
		Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	**14,720**	**(3)**	**-**	**3**	**-**
Total increase/(decrease)		**(3)**	**-**	**3**	**-**

		Interest rate risk			
At 30 June 2012	Carrying amount	-0.5%		+0.5%	
		Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	20,970	(8)	-	8	-
Total increase/(decrease)		(8)	-	8	-

(c) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Disclosure of fair value measurements is by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 30 June 2013 the Group does not have any level 3 instruments.

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012:

At 30 June 2013	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Assets				
Financial assets at fair value through profit or loss:				
Derivative instruments	**-**	**19**	**-**	**19**
Available-for-sale financial assets:				
Equity securities	**67**	**-**	**-**	**67**
Total assets	**67**	**19**	**-**	**86**
Liabilities				
Derivative instruments	**-**	**232**	**-**	**232**
Total liabilities	**-**	**232**	**-**	**232**

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At 30 June 2012	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Assets				
Financial assets at fair value through profit or loss:				
Derivative instruments	-	2,217	-	2,217
Derivatives in an effective hedge relationship	-	6,712	-	6,712
Available-for-sale financial assets:				
Equity securities	4,952	-	-	4,952
Total assets	4,952	8,929	-	13,881
Liabilities				
Derivative instruments	-	289	-	289
Total liabilities	-	289	-	289

The available-for-sale financial assets are traded in active markets. Their fair value is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value of derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These techniques include comparing contracted rates to market rates with the same length of maturity to determine the value of forward contracts and use of option pricing models to value put options. These instruments are included in level 2. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

(d) Commodity Price Risk

The Group's exposure to nickel prices is very high as approximately 80-85% of total revenue comes from sale of nickel. Nickel is sold on the basis of nickel prices quoted on the London Metal Exchange (LME).

The Group's profit and loss account and balance sheet can be affected significantly by movements in nickel prices on the LME. The Group seeks to mitigate the effect of its nickel prices exposure by using derivative instruments, principally forward sales contracts and put and call options. The limits of hedging are set by the Board.

The following table summarises the sensitivity of the Group's financial sssets and financial liabilities to commodity price risk. The +/- 30% (2012: +/- 30%) sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical prices for the preceeding 5 year period and management's expectation of future movements.

At 30 June 2013	Carrying amount	Commodity price risk			
		-30%		+30%	
		Profit	Other equity	Profit	Other equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Accounts receivable	**16,245**	**(6,140)**	**-**	**6,140**	**-**
Total increase / (decrease)		**(6,140)**	**-**	**6,140**	**-**

At 30 June 2012	Carrying amount	Commodity price risk			
		-30%		+30%	
		Profit	Other equity	Profit	Other equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Accounts receivable	28,952	(6,482)	-	6,482	-
Derivatives - cash flow hedges	6,507	-	(2,357)	-	2,357
Total increase / (decrease)		(6,482)	(2,357)	6,482	2,357

(e) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments.

The Group's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of these assets as indicated in the balance sheet.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in relation to net settled derivatives is the total mark to market gain, should counterparts not honour their obligations. In case of gross-settled derivatives, the maximum exposure is the notional value. Gross-settled derivatives are held with financial institutions with sound credit rating.

The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

The Group has a concentration of credit risk in that it depends on two major customers for a significant volume of revenue.

Under the Group's risk management framework, each customer is analysed individually for creditworthiness on an ongoing basis in order to minimise the risk of default. The Group believes that both its customers are of sound creditworthiness as evidenced by the compliance with the off-take agreement's payment terms over the life of each project.

(f) Equity price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as available-for-sale. The fair value of these investments are based on quoted market prices.

The Group holds investments of shares in several listed entities who are joint venture partners or potential joint venture partners. The Board has not reacted to short-term price fluctuations as it has a medium to long term view on these investments. These investments represent less than 1% (2012: 1%) of total assets and have yet to generate any revenue.

The following sensitivity is based on the equity price risk exposures in existence at the balance sheet date. The sensitivity used is +/- 30% which is based on reasonably, possible changes, over a financial year, based on the share price fluctuations of the last 12 months and management's expectation of future movements.

Sensitivity

	Impact on post-tax profit		Impact on equity	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Available-for-sale financial investment +30% (2012: +30%)	**16**	-	**-**	691
Available-for-sale financial investment -30% (2012: -30%)	**(16)**	(557)	**-**	(134)

(g) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding when necessary and the ability to close-out market positions.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans (when required), finance leases and committed available credit lines.

The Group monitors on a regular basis rolling forecasts of liquidity on the basis of expected cash flow.

The Group has put in place a Group Cash Management Policy to ensure that up to 180 days (2012: 180 days) excess cash holdings are invested with a range of institutions that have sufficient financial strength to ensure the security of the investment. This policy is reviewed and approved by the Board on an annual basis. When bank loans are used the Group's policy is to reduce and manage cash flow interest rate risk by ensuing a timely reduction in debt obligations through scheduled debt repayments and non scheduled debt repayments when excess cash is available.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
At 30 June 2013	$'000	$'000	$'000	$'000
Non-derivatives				
Trade payables	**27,069**	**-**	**27,069**	**27,069**
Borrowings	**910**	**-**	**910**	**756**
Finance lease liabilities	**3,589**	**7,762**	**11,351**	**10,157**
Total non-derivatives	**31,568**	**7,762**	**39,330**	**37,982**
Derivatives				
Foreign currency exchange call options (outflow)	**-**	**-**	**-**	**232**
Foreign currency exchange put options (inflow)	**-**	**-**	**-**	**(19)**
Total derivatives	**-**	**-**	**-**	**213**

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Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
At 30 June 2012	$'000	$'000	$'000	$'000
Non-derivatives				
Trade payables	26,041	-	26,041	26,041
Finance lease liabilities	3,183	7,880	11,063	9,645
Total non-derivatives	29,224	7,880	37,104	35,686
Derivatives				
Forward commodity contracts - (inflow)	-	-	(6,397)	(6,712)
Commodity put options - (inflow)	-	-	(1,471)	(2,191)
Foreign currency exchange call options (outflow)	-	-	-	227
Foreign currency exchange put options (inflow)	-	-	-	(26)
Commodity call options (outflow)	-	-	-	62
Total derivatives	-	-	(7,868)	(8,640)

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3 SEGMENT INFORMATION

(a) Business segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold, as these are the sources of the Group's major risks and have the most effect on the rates of return.

The Group has identified five operating segments being: (1) Nickel the aggregation of the Savannah Nickel Project, Lanfranchi Nickel Project and Copernicus Nickel Project; (2) Gold the Gidgee Gold Project and Mount Henry Gold Project; (3) Platinum Group Metals, the Thunder Bay North PGM Project and Panton PGM Project; (4) Australian Exploration; and (5) Overseas Exploration.

Nickel

The Savannah Nickel Project and the Lanfranchi Nickel Project both mine nickel ore. At the Savannah Nickel Project, nickel concentrate is produced and sold to the one customer Sino Nickel Pty Ltd (a company owned by the Jinchuan Group Limited (60%) and Sino Mining International Limited (40%)). At the Lanfranchi Nickel Project, nickel ore is delivered and sold to the one customer BHP Billiton Nickel West Pty Ltd.

The Copernicus Nickel Project, a nickel project in which the Group has a ~78% interest, is currently under care and maintenance. No revenue was generated from this project in the reporting period.

Gold

The 100% owned and operated Gidgee Gold Project is located 640kms northeast of Perth in Western Australia, and was purchased by the Company in January 2011. The Company refurbished the site's village and administration areas and commenced exploration and evaluation activities from July 2011.

In May 2012, the Company acquired the Wilsons Gold Project from Apex Minerals Limited. The Wilsons Gold Project is approximately 650km north east of Perth, within trucking distance of the existing Gidgee processing facility. The Wilsons Gold Project acquisition forms part of the Gidgee Gold Project. The combined mineral Resource of Gidgee, following the acquisition of Wilsons and upgrade of the Howards and Heron South Resources in October 2012, has increased to over one million ounces.

In August 2012, the Company finalised an agreement with Matsa Resources Limited to acquire a 70% equity interest in the Mt Henry Gold Project. The Mt Henry Gold Project comprises of three deposits being Mt Henry, North Scotia and Selene. The Project is located on the southern end of the Norseman - Wiluna Greenstone belt. The Company will act as sole operator and will free carry Matsa to the completion of a Bankable Feasibility Study.

Platinum Group Metals (PGM)

In July 2012, the Company finalised the acquisition of Magma Metals Limited by way of an off market takeover bid. Magma's principal project, the Thunder Bay North PGM Project, is located in northwest Ontario, Canada. Since acquisition, the Company has commenced evaluation studies to re-optimise the mining method and mineral processing route contained in the previous 2011 Preliminary Economic Assessment (PEA).

In May 2012, the Company executed an agreement with Platinum Australia Lmited to purchase the Panton PGM Project. The Panton Project is located 60km north of Halls Creek, in the East Kimberley Region of Western Australia. The Company will continue to develop the asset through the optimisation of the project's mining and processing options.

Australian and Overseas Exploration

The Group's primary exploration and evaluation activities cover the regional areas of Western Australia. The Group is also party to joint venture agreements to conduct overseas exploration and evaluation activities in Scandanavia.

The Group's Exploration Manager is responsible for budgets and expenditure by the Group's exploration team. The exploration division does not normally derive any income. Should a project generated by the exploration division commence generating income or lead to the construction or acquisition of a mining operation, that operation would then be disaggregated from the exploration and become a separate reportable segment.

Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and Accounting Standard AASB 8 Operating Segments.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, derivative financial instruments, property, plant and equipment and development and mine properties. Segment liabilities consist primarily of trade and other creditors, employee benefits, derivative financial instruments, finance leases and borrowings and provision for rehabilitation.

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(b) Operating business segments

2013	Nickel	Gold	Platinum Groups Metals	Australian Exploration	Overseas Exploration	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Sales to external customers	180,634	-	-	-	-	180,634
Other revenue	880	4	133	1	-	1,018
Total segment revenue	**181,514**	**4**	**133**	**1**	**-**	**181,652**
Total segment results	**(36,795)**	**(2,900)**	**(726)**	**(621)**	**277**	**(40,765)**
Total segment assets	**240,442**	**70,035**	**38,758**	**20,872**	**8**	**370,115**
Total segment liabilities	**79,967**	**23,382**	**(31)**	**37**	**-**	**103,355**
Impairment of assets (a)	14,369	-	-	-	-	14,369

(a) An impairment loss of $14.369 million was recognised to reduce the carrying amount of the property, plant and equipment, mine development and mine properties to recoverable amount. $7.888 million has been recognised in the income statement and $6.481 million has been recognised in the mineral properties revaluation reserve.

2012	Nickel	Gold	Platinum Groups Metals	Australian Exploration	Overseas Exploration	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Sales to external customers	228,833	-	-	-	-	228,833
Other revenue	3,560	8	25	6	-	3,599
Total segment revenue	232,393	8	25	6	-	232,432
Total segment results	5,822	(3,489)	(1,080)	(3,580)	(2,649)	(4,976)
Total segment assets	315,799	46,974	41,366	17,908	31	422,078
Total segment liabilities	88,703	21,481	1,518	186	447	112,335

(c) Other segment information

(i) Segment revenue

Segment revenue reconciles to total revenue from continuing operations as follows:

	2013	2012
	$'000	$'000
Total segment revenue	**181,652**	232,393
Unallocated revenue	**113**	657
Consolidated revenue (note 4)	**181,765**	233,050

The amount of its revenue from external customers in Australia is $86.110 million (2012: $95.481 million), and the total revenue from external customers in China is $94.688 million (2012: $128.249 million).

Segment revenues are allocated based on the country in which the customer is located. Sales to external customers exclude hedging gains and losses, transport, port and shipping charges, and therefore the amounts wil not agree to the revenue from continuing operations as shown in the consolidated income statement.

The Group has two major customers, one to which it delivers nickel concentrate and the other, nickel ore. The Group's most significant client accounts for $94.688 million (2012: $128.249 million) of external revenue. The next most significant client accounts for $86.110 million (2012: $95.481 million) of revenue.

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(ii) Segment results

A reconciliation of segment results to loss for the year is provided as follows:

	2013	2012
	$'000	$'000
Segment results	**(40,765)**	(4,976)
Intersegment eliminations	**-**	(1,587)
Corporate charges	**(6,222)**	(14,746)
Income tax benefit	**15,302**	3,097
Loss for the year	**(31,685)**	(18,212)

(iii) Segment assets

Reportable segments' assets are reconciled to total assets as follows:

	2013	2012
	$'000	$'000
Segment assets	**370,115**	422,078
Intersegment eliminations	**(16,467)**	(24,923)
Unallocated assets	**16,878**	34,190
Total assets as per the consolidated balance sheet	**370,526**	431,345

The total of non-current assets located in Australia is $274.601 million (2012: $299.274 million), and the total of these non-current assets located in Canada is $31.546 million (2012: $28.782 million). Segment assets are allocated to countries based on where the assets are located.

(iv) Segment liabilities

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2013	2012
	$'000	$'000
Segment liabilities	**103,355**	112,335
Intersegment eliminations	**(6,221)**	4,612
Unallocated liabilities	**1,809**	6,907
Total liabilities as per the consolidated balance sheet	**98,943**	123,854

4 REVENUE

	2013	2012
	$'000	$'000
Sales revenue		
Sale of goods	**180,634**	228,820
Other revenue		
Interest income	**1,131**	4,217
	181,765	233,037

5 OTHER INCOME

	2013	2012
	$'000	$'000
Net gain on sale of available-for-sale financial assets	**2,322**	-
Government grants	**1,422**	-
Sundry income	**81**	420
Reversal of impairment on receivables	**-**	92
	3,825	512

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6 EXPENSES

		2013	2012
		$'000	$'000
Loss before income tax includes the following specific expenses:			
Cost of sales of goods			
Cost of production		**145,012**	159,343
Royalties		**9,283**	11,421
Depreciation - property, plant and equipment		**17,359**	14,268
Amortisation - deferred development costs		**25,359**	25,943
Amortisation - mine properties		**11,515**	10,953
		208,528	221,928
Finance costs			
Interest and finance charges paid/payable		**883**	387
Unwinding of discount - rehabilitation		**680**	1,203
		1,563	1,590
Rental expense relating to operating leases			
Minimum lease payments		**1,152**	868
		1,152	868
Derivative financial instruments			
Mark to market of derivatives instruments which are not in an effective hedge relationship		**2,141**	1,902
		2,141	1,902
Others			
Corporate and marketing costs		**9,116**	11,346
Net (gain)/loss on disposal of property, plant and equipment		**(234)**	212
Depreciation - property, plant and equipment not used in production		**153**	197
Depreciation - finance lease and hire purchase assets not used in production		**-**	77
Net foreign currency exchange (gain)/loss		**(91)**	899
		8,944	12,731
Breakdown of employee benefits expenses			
Salaries and wages		**43,948**	45,634
Payroll tax		**2,967**	3,061
Superannuation		**4,317**	4,676
Others		**4,198**	5,924
Share based payments expense		**693**	2,801
		56,123	62,096

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 INCOME TAX BENEFIT

(a) Income tax benefit

	2013	2012
	$'000	$'000
Derecognised income tax expense	**(83)**	2,763
Current tax	**332**	-
Deferred tax	**(15,300)**	(5,479)
Adjustments for current tax of prior periods	**530**	(371)
Adjustments for deferred tax of prior periods	**-**	(10)
Adjustments in relation to research and development	**(781)**	-
	(15,302)	(3,097)

(b) Numerical reconciliation of income tax benefit to prima facie tax

	2013	2012
	$'000	$'000
Loss from continuing operations before income tax benefit	**(46,988)**	(21,309)
Tax benefit at the Australian tax rate of 30.0% (2012 - 30.0%)	**(14,096)**	(6,393)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment	**5**	20
Share based payments	**217**	827
Donations	**-**	11
Foreign exploration	**76**	790
Deferred tax not recognised	**(83)**	2,232
Write back of impairment	**(673)**	-
Impairment of capital expenditure	**(100)**	-
Adjustments for current tax of prior years	**530**	(371)
Adjustments in relation to research and development	**(781)**	(203)
Tax losses not booked relating to foreign subsidiary	**(1,582)**	-
Adjustments recognised in the current year in relation to deferred tax of prior years	**-**	(10)
Deferred tax liability recognised on tax consolidation	**1,185**	-
Income tax benefit	**(15,302)**	(3,097)

(c) Amounts recognised directly in equity

	2013	2012
	$'000	$'000
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Relating to financial instruments	**(2,391)**	(71)
Relating to equity securities available for sale	**(27)**	-
Relating to asset revaluation reserve	**(1,944)**	44
	(4,362)	(27)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(d) Tax losses

	2013	2012
	$'000	$'000
Unused tax losses for which no deferred tax asset has been recognised		
Capital losses	**1,789**	1,869
Income tax losses transferred to Panoramic Resources Limited from Magma Metals Limited on tax consolidation	**23,695**	-
Potential tax benefit @ 30.0%	**7,645**	561

(e) Unrecognised temporary differences

	2013	2012
	$'000	$'000
Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognised:		
Foreign currency translation	**452**	339
Investments at fair value	**(228)**	11,114
	224	11,453
Unrecognised deferred tax liabilities relating to the above temporary differences	**67**	3,436

8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2013	2012
	$'000	$'000
Cash at bank and in hand	**14,720**	20,970
Deposits at call	**8,541**	18,398
	23,261	39,368

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2013	2012
	$'000	$'000
Balances as above	**23,261**	39,368

(b) Cash at bank and on hand

Generally cash at bank earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate achieved for the year was 2.9% (2012: 1.7%).

(c) Deposits at call

Short term deposits are made of varying maturities not exceeding three months and earn interest at the respective short term deposit rates. If short term deposits have original maturity greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts. The weighted average interest rate achieved for the year was 4.0% (2012: 5.4%).

(d) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

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9 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2013	2012
	$'000	$'000
Trade receivables	**16,283**	28,968
Other receivables	**5,387**	4,046
	21,670	33,014

(a) Trade receivables

Trade receivables are non interest bearing and are generally on 30-90 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. A breach of contractual terms would be considered objective evidence. The amount of the allowance/impairment loss is the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

Trade receivables are adjusted upwards or downwards depending on movements in spot commodity prices from the date a provisional invoice is prepared until the presentation of a final invoice to the customer, known as the quotational period (QP).

The amount of derivative embedded within provisionally priced sales at 30 June 2013 was $5.019 million (2012: $6.781 million) and the amount of fair value changes recognised in the income statement was $1.567 million (2012: $1.926 million)

All receivables are current.

(b) Other receivables

These amounts relate to receivables for goods and services tax, diesel fuel rebates and sundry items. Interest may be charged at commercial rates where the terms of repayments exceed six months. Collateral is not normally obtained.

(c) Foreign currency exchange rate and interest rate risk

The balance of trade receivables is exposed to movements in USD/AUD exchange rates and spot commodity prices.

All trade receivables are non interest bearing in 2012 and 2013.

Information on foreign currency exchange and interest rate risk is provided in note 2.

(d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value, at 30 June 2012 and 2013.

Trade receivables are adjusted upwards or downwards depending on movements in spot commodity prices from the date a provisional invoice is prepared until the presentation of a final invoice to the customer, known as the quotational period (QP).

Information on credit risk is provided in note 2.

10 CURRENT ASSETS - INVENTORIES

	2013	2012
	$'000	$'000
Spares for production		
- at cost	**10,021**	10,863
- at net realisable value	**532**	666
Nickel ore stocks on hand		
- at net realisable value	**1,302**	1,096
Concentrate stocks on hand		
- at net realiseable value	**6,078**	1,377
	17,933	14,002

11 CURRENT ASSETS - TERM DEPOSITS

	2013	2012
	$'000	$'000
Term deposits	**-**	6,617

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12 CURRENT ASSETS - PREPAYMENTS

	2013	2012
	$'000	$'000
Prepayments	**1,496**	1,564

13 DERIVATIVE FINANCIAL INSTRUMENTS

	2013	2012
	$'000	$'000
Current assets		
Commodity put options	**-**	2,191
Forward foreign currency exchange put options	**19**	26
Forward commodity contracts	**-**	6,507
Total current derivative financial instrument assets	**19**	8,724
Non-current assets		
Forward commodity contracts	**-**	205
Total non-current derivative financial instruments	**-**	205
Current liabilities		
Foreign currency exchange call options	**232**	227
Commodity call options	**-**	62
Total current derivative financial instrument liabilities	**232**	289
Total derivative financial instrument assets (liabilities)	**(213)**	8,640

(a) Instruments used by the group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in commodity prices and foreign currency exchange rates in accordance with the Group financial risk management policies (refer to note 2).

The Group uses a number of methodologies to determine the fair value of derivatives. These techniques include comparing contracted rates to market rates with the same length of maturity to determine the value of forward contracts and use of option pricing models to value put options. The principal inputs to valuation techniques are listed below:

- Commodity prices
- Interest rates
- Foreign currency exchange rates
- Price volatilities
- Discount rates

Commodity prices, interest rates and foreign currency exchange rates are determined by reference to published / observable prices.

(b) Commodity Hedges

In order to protect against price movements, the Group from time to time enters into nickel forward contracts, put options and zero cost option collars.

These contracts have been designated as cashflow hedges and are timed to mature when sales are scheduled to occur.

Consolidated	Tonnes Hedged	Average USD Price	Tonnes Hedged	Average USD Price
	30 June 2013	30 June 2013	30 June 2012	30 June 2012
Nickel Sell Call Options				
Not later than one year	-	-	1,200	25,250
Nickel Buy Put Options				
Not later than one year	-	-	1,200	18,000
Nickel Fixed Forward				
Not later than one year	-	-	675	26,468

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Company adjusts the initial measurement of the component recognised in the income statement by the related amount deferred in equity.

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Consolidated	Kilolitres Hedged	Average US$ Price per litre	Kilolitres Hedged	Average US$ Price per litre
	30 June 2013	30 June 2013	30 June 2012	30 June 2012
Diesel Collars				
Not later than one year	-	-	3,375	0.83

In order to protect against price movements, the Group has entered into foreign currency forward exchange contracts and put and written call options.

These contracts have been designated as cashflow hedges and are timed to mature when receipts are scheduled to be received.

Consolidated	USD Hedged	Average Rate	USD Hedged	Average Rate
	30 June 2013	30 June 2013	30 June 2012	30 June 2012
Foreign Currency Exchange Forwards				
Not later than one year	-	-	-	-
Foreign Currency Exchange Calls				
Not later than one year	**16,000**	**0.88**	24,000	0.95
Foreign Currency Exchange Puts				
Not later than one year	**16,000**	**1.00**	24,000	1.12

The portion of the gain or loss on the hedging instrument that determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Company adjusts the initial measurement of the component recognised in the income statement by the related amount deferred in equity.

(c) Risk exposures

Information about the Company's exposure to credit risk, foreign currency exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial asets mentioned above.

14 NON-CURRENT ASSETS - AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include the following classes of financial assets:

	2013	2012
	$'000	$'000
Listed securities		
Equity securities	**67**	4,952

	2013	2012
	$'000	$'000
At beginning of year	**4,952**	6,621
Additions		6,900
Disposal proceeds	**(6,980)**	-
Net gain on sale	**2,322**	-
Losses from impairment	**(137)**	(5,334)
Reclassification on acquisition of Magma Metals Ltd	**-**	(2,997)
Revaluation (deficit) transfer to equity	**(90)**	(238)
At end of year	**67**	4,952

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

The fair value of listed available for sale investments has been determined directly by reference to published price quotations in an active market.

In December 2011, an impairment loss of $2.872 million was recognised in relation to the Company's investment in Magma Metals Limited. In May 2012, the Company acquired the Thunder Bay North Project by way of an off market takeover bid of Magma Metals Limited (1 Panoramic shares for 7 Magma shares). The Company attained control of Magma Metals Limited on 11 May 2012 when it achieved 50% acceptance of its takeover offer, at this point, the investment was fair valued at $2.997 million based on the Company's share price of 12 cents. The investment in Magma Metals Limited was then recognised as a subsidiary of the Group rather than an available for sale financial asset.

At 30 June 2012, an impairment loss of $2.243 million was recognised in relation to the Company's investment in Hot Chili Limited after significant and sustained fall in the Hot Chili share price. The fair value has been calculated using the closing share price at 30 June 2012 of 40.5 cents.

In November 2012, the Company sold its 11.5 million share investment in Hot Chili Limited ("Hot Chili") and recognised a gain on the sale of $2.322 million.

An impairment loss of $0.088 million (2012: $0.219 million) was recognised in relation to the Company's investment in Thundelarra Exploration Limited at 30 June 2013 after a fall in the Thundelarra share price. The fair value has been calculated using the closing share price at 30 June 2013 of 2.2 cents (2012: 6.3 cents).

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An impairment loss of $0.05 million (2012: nil) was recognised in relation to the Company's investment in Lion Town Resources Limited at 30 June 2013 after a fall in the Lion Town share price. The fair value has been calculated using the closing share price at 30 June 2013 of 1.1 cents (2012: 5.8 cents).

15 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	2013	2012
	$'000	$'000
Plant and equipment		
Gross value	**190,014**	172,257
Accumulated depreciation and impairment	**(128,349)**	(112,402)
	61,665	59,855
Leased plant & equipment		
Gross value	**14,129**	12,355
Accumulated depreciation	**(4,948)**	(3,072)
	9,181	9,283
Construction in progress		
Gross value	**12,354**	23,232
Accumulated impairment	**(444)**	(444)
	11,910	22,788
	82,756	91,926

	Plant and equipment	Leased plant and equipment	Construction in progress	Total
	$'000	$'000	$'000	$'000
Year ended 30 June 2013				
Opening net book amount	59,855	9,283	22,788	91,926
Additions	1,001	1,875	8,088	10,964
Transfer (to)/from other asset class	17,637	1,286	(18,964)	(41)
Disposals	(170)	-	-	(170)
Depreciation charge	(14,249)	(3,263)	-	(17,512)
Impairment	(2,403)	-	(2)	(2,405)
Foreign currency exchange adjustments	(6)	-	-	(6)
Closing net book amount	**61,665**	**9,181**	**11,910**	**82,756**
At 30 June 2013				
Cost	190,014	14,129	12,354	216,497
Accumulated depreciation and impairment	(128,349)	(4,948)	(444)	(133,741)
Net book amount	**61,665**	**9,181**	**11,910**	**82,756**
Year ended 30 June 2012				
Opening net book amount	44,342	1,360	20,262	65,964
Additions	5,818	4,090	31,409	41,317
Transfer (to)/from other asset class	23,284	5,199	(28,883)	(400)
Disposals	(413)	-	-	(413)
Depreciation charge	(13,176)	(1,366)	-	(14,542)
Closing net book amount	**59,855**	**9,283**	**22,788**	**91,926**
At 30 June 2012				
Cost or fair value	172,257	12,355	23,232	207,844
Accumulated depreciation and impairment	(112,402)	(3,072)	(444)	(115,918)
Net book amount	**59,855**	**9,283**	**22,788**	**91,926**

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(a) Impairment losses recognised

The significant drop in commodity prices during the year had led the Group to make an assessment of the recoverability of its assets. The recoverable amount of each mine operation at the cash generating unit level has been determined based on a value in use calculation using cash flow projections based on financial budgets covering life of the mine incorporating current market assumptions approved by the Directors. The cash generating unit comprise of the plant and equipment, mine development and mine properties. A discount rate of 15% pretax was used in the calculation of the assets' recoverable amount. A recoverable amount was estimated for the plant and equipment. As a result, an impairment loss of $2.405 million was recognised to reduce the carrying amount of the plant and equipment to recoverable amount. This has been recognised in the income statement.

(b) Non-current assets pledged as security

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default. The carrying amounts of assets pledged as security for current and non-current borrowings are $9.181 million (2012: $9.283 million).

Included in the balances of plant and equipment are assets of Donegal Resources Pty Ltd over which two mortgages were granted as security in relation to a rehabilitation bank guarantee.

16 NON-CURRENT ASSETS - DEFERRED TAX ASSETS

	2013	2012
	$'000	$'000
The balance comprises temporary differences attributable to:		
Tax losses	**19,026**	4,633
Employee benefits	**2,471**	2,474
Provisions	**10,244**	8,750
Foreign currency exchange	**101**	23
Financial instruments at fair value	**64**	81
Superannuation	**-**	21
Trading stock	**332**	255
Accrued expenses	**-**	7
Research and development tax offset	**3,124**	-
Business related costs	**163**	-
	35,525	16,244
Set-off of deferred tax liabilities pursuant to set-off provisions	**(35,525)**	(16,244)
Net deferred tax assets	**-**	-
Movements:		
Opening balance	**16,244**	11,251
Charged/credited:		
- to profit or loss	**19,281**	4,496
- directly to equity	**-**	497
	35,525	16,244

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17 NON-CURRENT ASSETS - EXPLORATION AND EVALUATION, DEVELOPMENT AND MINE PROPERTIES

	2013	2012
	$'000	$'000
Mine development expenditure		
Cost	**313,966**	302,691
Accumulated amortisation and impairment	**(233,024)**	(202,181)
	80,942	100,510
Exploration and evaluation		
Cost	**115,266**	84,272
Mine (mineral) properties		
Cost	**94,886**	94,481
Accumulated amortisation and impairment	**(68,208)**	(50,211)
	26,678	44,270
	222,886	229,052

	Mine Development Expenditure	Exploration and Evaluation	Mine (Mineral) Properties	Total
	$'000	$'000	$'000	$'000
Year ended 30 June 2013				
Opening net book amount	100,510	84,272	44,270	229,052
Expenditure incurred during the year	19,294	31,867	-	51,161
Transfer from other asset class	(254)	(106)	404	44
Decrease in rehabilitation costs capitalised	(7,766)	-	-	(7,766)
Amortisation	(25,359)	-	(11,515)	(36,874)
Impairment	(5,483)	-	(6,481)	(11,964)
Foreign currency exchange adjustments	-	(767)	-	(767)
Closing net book amount	**80,942**	**115,266**	**26,678**	**222,886**
At 30 June 2013				
Cost	313,966	115,266	94,886	524,118
Accumulated amortisation and impairment	(233,024)	-	(68,208)	(301,232)
Net book amount	**80,942**	**115,266**	**26,678**	**222,886**
Year ended 30 June 2012				
Opening net book amount	96,833	14,325	73,923	185,081
Expenditure incurred during the year	21,160	9,573	-	30,733
Acquisition of projects	-	41,675	-	41,675
Transfer from other asset class	-	18,699	(18,699)	-
Increase in rehabilitation costs capitalised	8,466	-	-	8,466
Amortisation	(25,942)	-	(10,954)	(36,896)
Transfer from exploration and evaluation	15	-	-	15
Disposals	(135)	-	-	(135)
Impairment reversal	113	-	-	113
Closing net book amount	**100,510**	**84,272**	**44,270**	**229,052**
At 30 June 2012				
Cost or fair value	302,691	84,272	94,481	481,444
Accumulated amortisation and impairment	(202,181)	-	(50,211)	(252,392)
Net book amount	**100,510**	**84,272**	**44,270**	**229,052**

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or the sale fo the respective mining areas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Acquisition of exploration properties

In August 2012, the Company acquired a 70% equity interest in the Mt Henry Gold Project. An amount of $13.653 million was recognised in relation to this acquisition.

In May 2012, the Company purchased the Panton PGM (platinum group metals) Project and the rights to use the Panton Process (a patented metallurgical process). An amount of $5.591 million was recognised in relation to this acquisition.

In May 2012, the Company acquired Wilsons Gold Project from Apex Minerals Limited. An amount of $8.295 million was recognised in relation to this acquisition.

The Company attained control of Magma Metals Limited on 11 May 2012 when it achieved 50% acceptance of its takeover offer. An amount of $27.789 million was recognised in relation to this acquisition.

(a) Impairment losses recognised

The significant drop in commodity prices during the year had led the Group to make an assessment of the recoverability of its assets. The recoverable amount of each mine operation at the cash generating unit level has been determined based on a value in use calculation using cash flow projections based on financial budgets covering life of the mine incorporating current market assumptions approved by the Directors. The cash generating unit comprise of the plant and equipment, mine development and mine properties. A discount rate of 15% pretax was used in the calculation of the assets' recoverable amount. A recoverable amount was estimated for the mine development and mine properties. As a result, an impairment loss of $11.964 million was recognised to reduce the carrying amount of the mine development and the mine properties to recoverable amount. $5.483 million has been recognised in the income statement and $6.481 million has been recognised in the mineral properties revaluation reserve.

18 NON-CURRENT ASSETS - OTHER NON-CURRENT ASSETS

	2013	2012
	$'000	$'000
Others	**438**	1,921
	438	1,921

Cash backed bonds of $0.438 million (2012: $0.421 million) are placed with a financial institution in respect to Copernicus Nickel Mines' miscellaneous mining licences.

In 2012, a deposit of $1.5 million was made in relation to the Mt Henry acquisition with the balance of $3.5 million paid in 2013.

19 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2013	2012
	$'000	$'000
Trade payables	**15,457**	8,831
Accrued expenses	**11,612**	17,210
	27,069	26,041

Trade payables are non interest bearing and are normally settled on 30 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

20 CURRENT LIABILITIES - BORROWINGS

	2013	2012
	$'000	$'000
Secured		
Lease liabilities (note 31)	**2,968**	2,455
Other loans	**756**	-
Total secured current borrowings	**3,724**	2,455

(a) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 2.

(b) Fair value disclosures

Details of the fair value of borrowings for the Group are set out in note 2.

(c) Security and fair value disclosures

Details the Group's security relating to non-current borrowings are set out in note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21 CURRENT LIABILITIES - PROVISIONS

	2013	2012
	$'000	$'000
Employee benefits - long service leave	**2,750**	2,572
Employee benefits - annual leave	**4,870**	5,085
	7,620	7,657

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service. Where employees have not yet completed the required period of service, their pro rata entitlement is recognised as a non-current provision for long service leave.

22 NON-CURRENT LIABILITIES - BORROWINGS

	2013	2012
	$'000	$'000
Secured		
Lease liabilities	**7,189**	7,190

(a) Assets pledged as security

Finance lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The carrying amounts of assets pledged as security for current and non-current borrowings are $9.181 million (2012: $9.283 million).

(b) Other loans

Finance lease liabilities

Finance lease liabilities have an average term of 4 years (2012: 4 years). The average discount rate implicit in the hire purchase liability is 7.04% (2012: 7.20%). Secured finance lease liabilities are secured by a charge over the asset.

Financing facilities available

At reporting date, there is a performance bond facility available. Ther performance bond facilty is $10.5 million (2012: $22.5 million) with a drawdown amount at reporting date of $7.3 million (2012: $18.7 million) and $3.2 million (2012: $3.8 million) available to be used.

(c) Interest rate risk exposures

The following table sets out the Company's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods.

2013	Fixed interest rate						
	Floating interest rate	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Non interest bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables (note 18)						27,067	27,067
Lease liabilities (notes 19, 21 and 30)	-	2,968	3,185	3,375	451	178	10,157
	-	**2,968**	**3,185**	**3,375**	**451**	**27,245**	**37,224**
Weighted average interest rate	**-%**	**7.0%**	**7.0%**	**6.9%**	**6.5%**	**N/A**	

2012	Fixed interest rate						
	Floating interest rate	1 year or less	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Non interest bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables (note 18)	-	-	-	-	-	26,041	26,041
Lease liabilities (notes 19, 21 and 30)	-	2,455	2,392	2,459	2,339	-	9,645
	-	**2,455**	**2,392**	**2,459**	**2,339**	**26,041**	**35,686**
Weighted average interest rate	-%	7.2%	7.2%	7.2%	7.1%	N/A	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(d) Fair value

The carrying amounts and fair values of borrowings at balance date are:

	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
On-balance sheet (i)				
Non-traded financial liabilities				
Lease liabilities	**10,157**	**10,157**	9,645	9,645

(i) On-balance sheet

The fair value of borrowings is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

The interest rates implicit in the agreements varies from the current interest rates, however the impact is not significant as such the carrying value is assumed to approximate their fair value.

23 NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	2013	2012
	$'000	$'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**3,685**	4,702
Financial instruments at fair value	**5**	2,665
Inventories	**3,497**	3,714
Borrowing costs capitalised	**3**	2
Accrued income	**148**	252
Exploration and evaluation, development expenditure and mine properties	**50,627**	48,200
Deferred tax liability recognised on tax consolidation	**1,185**	-
Superannuation	**2**	-
	59,152	59,535
Set-off of deferred tax liabilities pursuant to set-off provisions (note 16)	**(35,525)**	(16,244)
Net deferred tax liabilities	**23,627**	43,291
Movements:		
Opening balance	**59,535**	57,296
Charged/credited:		
- profit or loss	**3,979**	1,769
- directly to equity	**(4,362)**	470
	59,152	59,535

24 NON-CURRENT LIABILITIES - PROVISIONS

	2013	2012
	$'000	$'000
Employee benefits - long service leave	**670**	702
Rehabilitation	**28,812**	36,229
	29,482	36,931

A provision for rehabilition is recognised in relation to the mining activities for costs such as reclamation, waste site closure, plant closure and other costs associated with the rehabilitation of a mining site. Estimates of the rehabilitation are based on the anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislations in relation to rehabilition of such mines in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

2013	Rehabilitation
	$'000
Carrying amount at start of year	36,229
- unwinding of discount	680
- reversal of unutilised provisions	(8,097)
Carrying amount at end of year	**28,812**

2012	Rehabilitation
	$'000
Carrying amount at start of year	28,297
- unwinding of discount	1,203
- additional provisions recognised	8,633
- provisions utilised	(1,904)
Carrying amount at end of year	**36,229**

In 2012, an additional rehabilitation and restoration provision was recognised in relation to the Gidgee Gold Project and the construction of a new camp site at the Lanfranchi Nickel Mine.

25 CONTRIBUTED EQUITY

(a) Share capital

	2013	2012	2013	2012
	Shares	Shares	$'000	$'000
Ordinary shares				
Ordinary shares - fully paid	**260,676,416**	241,681,195	**143,309**	133,765

(b) Movements in ordinary share capital

Date	Details	Notes	Number of shares	$'000
1 July 2011	Opening balance		207,050,710	104,675
5 June 2012	Share Issue		19,783,307	16,618
15 June 2012	Share Issue		11,880,543	9,980
25 July 2012	Share issue***		2,966,635	2,492
30 June 2012	**Closing balance**		**241,681,195**	**133,765**
1 July 2012	Opening balance		241,681,195	133,765
16 August 2012	Share Issue		14,000,000	7,910
5 December 2012	Share Issue		377,360	200
27 March 2013	Share Issue		841,174	366
27 June 2013	Share Issue		3,776,687	1,068
30 June 2013	**Closing balance**		**260,676,416**	**143,309**

*** Unissued capital pending compulsory acquisition of Magma shares at 30 June 2012 and shares issued at 25 July 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(c) Movements in share options issued over ordinary shares

Date	Details	Notes	Number of shares	Issue price $
1 July 2011	Opening balance		3,000,000	-
	Closing balance		**3,000,000**	**-**
1 July 2012	Opening balance		3,000,000	-
31 December 2012	Options Expired		(3,000,000)	-
	Closing balance		**-**	**-**

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company .

(e) Capital 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 that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management monitor capital through the gearing ratio (total borrowings / contributed equity). The debt to equity ratio (borrowings on equity interest in shareholders' equity) at 30 June 2013 was 7.62% (2012: 7.21%).

The Group has put in place a Group Cash Management Policy to ensure that up to 180 days (2012: 180 days) excess cash holdings are invested with a range of institutions that have sufficient financial strength to ensure the security of the investment. (Refer to note 2 Financial risk management)

The Group is not subject to any externally imposed capital requirements.

Management consider that the total equity of the Group (contributed equity, reserves and retained earnings) plus borrowings (current and non-current) is what it manages as capital. At 30 June 2013 this was $282,496,000 (2012: $317,138,000).

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26 RESERVES AND RETAINED EARNINGS

(a) Reserves

	2013	2012
	$'000	$'000
Mineral properties revaluation reserve	**26,715**	31,252
Available-for-sale financial assets	**-**	64
Cash flow hedge reserve	**-**	5,579
Share-based payments	**19,334**	18,641
Foreign currency translation	**(978)**	734
	45,071	56,270

	2013	2012
	$'000	$'000
Movements:		
Mineral properties revaluation reserve		
Opening balance	**31,252**	31,252
Impairment	**(6,481)**	-
Deferred tax	**1,944**	-
Balance 30 June	**26,715**	31,252
Available-for-sale financial assets		
Opening balance	**64**	230
Revaluation - gross	**(91)**	(238)
Deferred tax	**27**	72
Balance 30 June	**-**	64
Cash flow hedge reserve		
Opening balance	**5,579**	5,477
Remeasurement of cash flow hedges, net of tax	**(508)**	2,445
Transfer to net loss, net of tax	**(5,071)**	(2,343)
Balance 30 June	**-**	5,579
Share-based payments		
Opening balance	**18,641**	15,887
Employee share plan expense - charged to the consolidated entity	**693**	2,754
Balance 30 June	**19,334**	18,641
Foreign currency translation		
Opening balance	**734**	-
Currency translation differences arising during the year	**(1,712)**	734
Balance 30 June	**(978)**	734

(b) Nature and purpose of reserves

(i) Asset revaluation reserve

Panoramic increased the groups holding in Lanfranchi from 75% to 100% in 2009. This required revaluation of the original interest. The asset revaluation reserve resulted from the increase in the fair value of the original interest.

(ii) Share-based payments reserve

The share based payments reserve is used to record the value of share based payments provided to employees as part of their remuneration. The reserve is also used to record share based payments provided to third parties as part of the acquisition of an entity.

(iii) Cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(iv) Available-for-sale investments revaluation reserve

This reserve comprises the cumulative net change in the fair value of available for sale financial assets until the investment is derecognised or impaired.

(v) Foreign currency translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

27 DIVIDENDS

(a) Ordinary shares

	2013	2012
	$'000	$'000
No final dividend was paid for the year ended 30 June 2012 (2012: 2 cents per fully paid share paid on 21 September 2011)		
Final dividend	-	4,141
Interim dividend for the half year ended 31 December 2012 of 1 cent (2011: 2 cents) per fully paid share paid on 29 May 2013 (2011: 21 March 2012)		
Final franked based on tax paid @ 30.0%	**2,568**	4,141

(b) Franked dividends

The franked portiions of the final dividends recommended after 30 June 2013 will be franked out of existing franking credits.

	Consolidated entity	
	2013	2012
	$'000	$'000
Franking credits available for subsequent reporting periods	**18,226**	19,327

The tax rate at which paid dividends have been franked is 30% (2012: 30%).

Dividends proposed will be franked at the rate of 30% (2012: 30%).

28 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of Panoramic Resources Limited during the financial year:

Chairman - non-executive

B M Phillips

Executive directors

P J Harold, Managing Director

Non-executive directors

C D J Langdon

J Rowe

(b) Other key management personnel (KMP)

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

T R Eton		Chief Financial Officer and Company Secretary	Panoramic Resources Limited
C J Williams		General Manager-Project Development and Technical Services	Panoramic Resources Limited
T J Stong		General Manager - Nickel Operations	Panoramic Resources Limited
J D Hicks	(from 14 March 2013)	General Manager - Exploration	Panoramic Resources Limited
M A Recklies		Operations Manager - Savannah Project	Savannah Nickel Mines Pty Ltd
R J Thorburn	(to 7 May 2013)	Operations Manager - Lanfranchi Project	Lanfranchi Nickel Mines Pty Ltd
T S Mason	(from 7 May 2013)	Operations Manager - Lanfranchi Project	Lanfranchi Nickel Mines Pty Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(c) Key management personnel compensation

	2013	2012
	$'000	$'000
Short-term employee benefits	**2,598**	3,195
Post-employment benefits	**198**	236
Long-term benefits	**712**	1,975
	3,508	5,406

The benefits do not include termination/resignation payments.

Detailed remuneration disclosures are provided in the remuneration report.

(d) Equity instrument disclosures relating to key management personnel

Securities provided as remuneration

Details of securities provided as remuneration, together with terms and conditions of the securities, can be found in the remuneration report.

Security holdings

The number of securities over ordinary shares in the company held during the financial year by each director of Panoramic Resources Limited and other key management personnel of the Group, including their personally related parties are provided in the following table. In the table provided, performance shares are separately identified. All other securities relate to share options.

2013							
Name	Balance at start of the year	Granted as compensation	Exercised	Other changes #	Balance at end of the year	Vested and exercisable	Unvested
Directors of Panoramic Resources Limited							
P J Harold	1,040,000	-	-	(520,000)	520,000	-	520,000
Other key management personnel of the Group							
T R Eton	590,000	-	-	(295,000)	295,000	-	295,000
C J Williams	590,000	-	-	(295,000)	295,000	-	295,000
T J Strong	395,000	-	-	(197,500)	197,500	-	197,500
J D Hicks (from 14 March 2013)	395,000	-	-	(197,500)	197,500	-	197,500
M A Recklies	80,000	-	-	(40,000)	40,000	-	40,000
T S Mason (from 7 May 2013)	50,000	-	-	(25,000)	25,000	-	25,000
R J Thorburn (to 7 May 2013)	395,000	-	-	(395,000)	-	-	-
	3,535,000	**-**	**-**	**(1,965,000)**	**1,570,000**	**-**	**1,570,000**

 # Other changes for R J Thorburn relate to performance rights which were forfeited on resignation. All other changes relate to the lapse of performance rights where performance hurdles were not achieved.

2012							
Name	Balance at start of the year	Granted as compensation	Exercised	Other changes #	Balance at end of the year	Vested and exercisable	Unvested
Directors of Panoramic Resources Limited							
P J Harold	1,040,000	-	-	-	1,040,000	-	1,040,000
Other key management personnel of the Group							
T R Eton	590,000	-	-	-	590,000	-	590,000
C J Williams	590,000	-	-	-	590,000	-	590,000
T J Strong	395,000	-	-	-	395,000	-	395,000
J D Hicks	395,000	-	-	-	395,000	-	395,000
M A Recklies	80,000	-	-	-	80,000	-	80,000
R J Thorburn	395,000	-	-	-	395,000	-	395,000
S A Jessop (to 4 November 2011)	395,000	-	-	(395,000)	-	-	-
T S Mason	50,000	-	-	-	50,000	-	50,000
	3,930,000	**-**	**-**	**(395,000)**	**3,535,000**	**-**	**3,535,000**

 # Other changes relate to performance rights which were forfeited on resignation.

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Share holdings

The numbers of shares in the Company held during the financial year by each director of Panoramic Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2013					
Name	Balance at the start of the year	Received during the year on the exercise of options	Received on vesting of rights to deferred shares	Other changes during the year	Balance at end of the year
Directors of Panoramic Resources Limited					
Ordinary shares					
P J Harold	3,490,785	-	-	-	3,490,785
C D J Langdon	25,000	-	-	-	25,000
J Rowe	10,000	-	-	-	10,000
B M Philips	10,000	-	-	-	10,000
Other key management personnel of the Group					
Ordinary shares					
T R Eton	100,000	-	-	-	100,000
C J Williams	155,000	-	-	-	155,000
T J Strong	188,000	-	-	-	188,000
J D Hicks (from 14 March 2013)	-	-	-	-	-
M A Recklies	100,000	-	-	-	100,000
R J Thorburn (to 7 May 2013)	10,200	-	-	(10,200)	-
T S Mason (from 7 May 2013)	-	-	-	1,560	1,560
	4,088,985	**-**	**-**	**(8,640)**	**4,080,345**

2012					
Name	Balance at the start of the year	Received during the year on the exercise of options	Received on vesting of rights to deferred shares	Other changes during the year	Balance at end of the year
Directors of Panoramic Resources Limited					
Ordinary shares					
P J Harold	3,490,785	-	-	-	3,490,785
C J G de Guingand (to 17 November 2011)	150,366	-	-	(150,366)	-
C D J Langdon	25,000	-	-	-	25,000
J Rowe	10,000	-	-	-	10,000
B M Philips	10,000	-	-	-	10,000
Other key management personnel of the Group					
Ordinary shares					
T R Eton	100,000	-	-	-	100,000
C J Williams	155,000	-	-	-	155,000
T J Strong	188,000	-	-	-	188,000
M A Recklies	100,000	-	-	-	100,000
R J Thorburn	10,200	-	-	-	10,200
	4,239,351	**-**	**-**	**(150,366)**	**4,088,985**

All equity transactions with key management personnel other than those arising from the exercise of options or performance shares have been entered into on terms and conditions no more favourable that those the Group would have adopted if dealing at arm's length.

(e) Other transactions with key management personnel

Mr C de Guingand (former Non-Executive Chairman) is a Director of Mineral Commerce Services Pty Ltd to whom no amount was paid during the year (2012: $57k) by shipping owners, Spliethoff (Amsterdam), for shipping brokerage services provided to the Group on normal commercial terms and conditions. This amount is not included in the remuneration Report Disclosed in the Directors' Report.

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29 REMUNERATION OF AUDITOR

	2013	2012
	$	$
Amounts received or due and receivable by Ernst & Young for:		
Audit and review of financial statements	**212,901**	225,525
	-	-
Other services in relation to the Company and other entity of the consolidated entity		
Tax compliance and other services	**49,915**	127,004
	262,816	352,529

30 CONTINGENCIES

(a) Contingent liabilities

The Company had contingent liabilities at 30 June 2013 in respect of bank guarantees with a financial institution with a face value of $0.709 million (2012: $0.709 million) in respect to the leasing of the office space in the Perth CBD.

Controlled entities

Under the terms of Deeds of Cross Guarantee with several finance institutions, the Company has agreed to become a covenantor with Savannah Nickel Mines Pty, Cherish Metals Pty Ltd and Donegal Resource Pty Ltd in regards to indebtedness and liabilities resulting from the lease and hire purchase of mobile equipment and mine buildings. As at reporting date, the Closed Group has lease liabilities amounting to $10.157 million (2012: $9.645 million).

The Company has guaranteed the bank facilities of controlled entities.

(b) Contingent assets

In the directors' opinion there are no contingent assets as at the date of signing this report.

31 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2013	2012
	$'000	$'000
Property, plant and equipment		
Not later than one year - acquisition of new plant and equipment	**1,008**	2,006
	1,008	2,006
Mineral tenements expenditure commitments		
Not later than one year	**4,237**	5,561
Later than one year but not later than five years	**13,640**	14,839
Later than five years	**24,886**	24,837
	42,763	45,237

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(b) Lease commitments: group as lessee

(i) Finance leases

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2013	2012
	$'000	$'000
Commitments in relation to finance leases are payable as follows:		
Within one year	**3,589**	3,183
Later than one year but not later than five years	**7,762**	7,880
	11,351	11,063
Less future finance lease charges	**(1,194)**	(1,418)
Present value of minimum lease payments	**10,157**	9,645
Representing lease liabilities:		
Current (note 21)	**2,968**	2,455
Non-current (note 22)	**7,189**	7,190
	10,157	9,645

(c) Operating lease commitments as lessee

(i) Power Supply

The diesel powered power station at the Savannah Nickel project was purpose built by an outside party to supply electricity under a commercial Power Generation & Distribution Agreement, dated 5 April 2004. This Agreement was extended for a further three years on 3 April 2009. The arrangement to supply electricity has been determined as an operating lease in accordance with AASB 17 "Leases".

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Future minimum rentals payable under this operating lease are unable to be determined as electricity supply payments to the outside party are variable.

(ii) Corporate office

The Group has a commercial lease on its corporate office premises. This is a non-cancellable lease expiring 28 February 2019.

Future minimum rentals payable under non-cancellable operating leases at 30 June 2013 are as follows:

	2013	2012
	$'000	$'000
Within one year	**1,221**	1,408
Later than one year and not later than five years	**4,659**	4,805
	5,880	6,213

(d) Operating lease commitments as lessor

(i) Corporate office

The Group sub-leases its excess corporate office space to third parties under non-cancellable operating leases expiring within two to five years.

Future minimum rentals receivable under non-cancellable operating leases at 30 June 2013 are as follows:

	2013	2012
	$'000	$'000
Commitments for minimum lease receipts in relation to non-cancellable operating leases are as follows:		
Within one year	**289**	-
Later than one year but not later than five years	**685**	-
	974	-

(d) Remuneration Commitments

	2013	2012
	$'000	$'000
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	**1,131**	1,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32 RELATED PARTY TRANSACTIONS

(a) Ultimate parent

Panoramic Resources Limited is the ultimate parent entity.

(b) Subsidiaries

Interests in subsidiaries are set out in note 33.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 28.

33 SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1(c):

Name of entity	Country of incorporation	Class of shares	Equity holding **	
			2013	2012
			%	%
Cherish Metals Pty Ltd*	Australia	Ordinary	100	100
Savannah Nickel Mines Pty Ltd	Australia	Ordinary	100	100
Pindan Exploration Company Pty Ltd	Australia	Ordinary	100	100
SMY Copernicus Pty Ltd**	Australia	Ordinary	100	100
Copernicus Nickel Mine Pty Ltd	Australia	Ordinary	78	78
Donegal Resources Pty Ltd	Australia	Ordinary	100	100
Donegal Lanfranchi Pty Ltd	Australia	Ordinary	100	100
Lanfranchi Nickel Mine Pty Ltd	Australia	Ordinary	100	100
Panoramic Gold Pty Ltd	Australia	Ordinary	100	100
Pindan (USA) Inc.	USA	Ordinary	100	100
Pindan (Finland) Exploration Ltd	Finland	Ordinary	100	100
Panoramic Copper Pty Ltd	Australia	Ordinary	100	100
Panton Sill Pty Ltd (formerly Panoramic Precious Metals Pty Ltd)	Australia	Ordinary	100	100
Mt Henry Gold Pty Ltd	Australia	Ordinary	100	100
Mt Henry Mines Pty Ltd	Australia	Ordinary	100	100
Magma Metals Pty Ltd	Australia	Ordinary	100	100
Greenstone Metals Ltd	Australia	Ordinary	100	100
Panoramic PGM (Canada) Ltd (formerly Magma Metals (Canada) Ltd)	Canada	Ordinary	100	100
Panoramic Nickel Pty Ltd	Australia	Ordinary	100	-
Panoramic PGM Pty Ltd	Australia	Ordinary	100	-

**Cherish Metals Pty Ltd is the holder of 100 shares (of 100 shares) in Lanfranchi Nickel Mines Pty Ltd (LNM) at a cost of $0.10 per share. LNM is incorporated in Australia and acts as the Operator of the Lanfranchi nickel mine (formerly known as the Lanfranchi Joint Venture). For further information refer to note 34.*

***SMY Copernicus Pty Ltd is the holder of 10 shares in Copernicus Nickel Mines Pty Ltd (CNM) at a cost of $0.10 per share. CNM is incorporated in Australia and acts as the Manager of the unincorporated Copernicus Joint Venture between SMY Copernicus Pty Ltd ~78% and Thundelarra Exploration Ltd ~22%.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34 DEED OF CROSS GUARANTEE

Pursuant to Class Order 98/1418, relief has been granted to Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd from the Corporations Act 2001 requirements for preparation, audit and lodgement of its financial report.

As a condition of the Class Order, Panoramic Resources Limited and Savannah Nickel Mines Pty Ltd (the "Closed Group"), entered into a Deed of Cross Guarantee on 29 June 2005. The effect of the deed is that Panoramic Resources Limited has guaranteed to pay any deficiency in the event of winding up of its controlled entity or if it does not meet its obligation under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entity has also given a similar guarantee in the event that Panoramic Resources Limited is wound up or it does not meet its obligation under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

On 23 June 2009, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd joined as parties to the Deed of Cross Guarantee. As at reporting date, the "Closed Group" comprised Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd.

(a) Consolidated income statement, consolidated statement of comprehensive income and summary of movements in consolidated retained earnings

Set out below is a consolidated income statement, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2013 of the closed group consisting of Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd.

	2013	2012
	$'000	$'000
Consolidated income statement		
Loss before income tax	**(45,647)**	(8,580)
Income tax benefit	**14,029**	513
Loss for the year	**(31,618)**	(8,067)

	2013	2012
	$'000	$'000
Retained earnings at the beginning of the financial year	**147,053**	163,402
Loss for the year	**(31,618)**	(8,067)
Dividends provided for or paid	**(2,568)**	(8,282)
Retained earnings at the end of the financial year	**112,867**	147,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2013 of the closed group consisting of Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd.

	2013	2012
	$'000	$'000
Current assets		
Cash and cash equivalents	**22,495**	39,098
Trade and other receivables	**23,449**	34,770
Inventories	**17,910**	13,978
Derivatives	**19**	8,724
Total current assets	**63,873**	96,570
Non-current assets		
Receivables	**87,020**	70,316
Available-for-sale investments	**47**	135
Property, plant and equipment	**77,877**	87,017
Deferred exploration and evaluation expenditure	**15,156**	11,545
Development properties	**99,144**	136,384
Derivatives	**-**	205
Total non-current assets	**279,244**	305,602
Total assets	**343,117**	402,172
Current liabilities		
Trade and other payables	**26,300**	27,600
Interest-bearing loans and borrowings	**3,724**	2,455
Derivatives	**232**	272
Current tax liabilities	**-**	3,233
Provisions	**7,524**	2,572
Total current liabilities	**37,780**	36,132
Non-current liabilities		
Interest-bearing loans and borrowings	**7,189**	7,189
Deferred tax liabilities	**11,581**	31,135
Provisions	**19,128**	26,196
Derivatives	**-**	17
Total non-current liabilities	**37,898**	64,537
Total liabilities	**75,678**	100,669
Net assets	**267,439**	301,503
Equity		
Contributed equity	**108,522**	98,978
Reserves	**46,050**	55,472
Retained earnings	**112,867**	147,053
Total equity	**267,439**	301,503

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35 INTERESTS IN JOINT VENTURES

(a) Jointly controlled assets

The Group has a ~ 78% interest in the unincorporated Copernicus Joint Venture, which is involved with the exploration, evaluation, development and production of mineral deposits in the East Kimberley region of Western Australia.

The share of assets, liabilities, revenue and expenses of the jointly controlled operation, which are included in the consolidated financial statements, are as follows:

	2013	2012
	$'000	$'000
Share of joint venture's assets and liabilities		
Current assets	**464**	104
Non-current assets	**581**	1,033
Total assets	**1,045**	1,137
Current liabilities	**-**	2
Non-current liabilities	**348**	730
Total liabilities	**348**	732
Net assets	**697**	405
Share of joint venture's revenue and expenses		
Revenue	**18**	24
Expenses	**273**	(41)
Profit and (loss) before income tax	**291**	(17)

Contingencies and committments

There are no contingencies and committments in relation to the Copernicus Joint Venture at the date of signing this report.

36 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Gidgee Project Tenement Farm-Out and Joint Venture

On 9 August 2013, a wholly owned subsidiary of the Company, Panoramic Gold Pty Ltd, executed the "Gidgee Project Farm-In and Joint Venture Agreement" with Gateway Mining Limited ("Gateway") whereby Gateway, by spending $1.2 million over thirty months, is able to earn a 70% interest in tenement M57/633 at the Gidgee Gold Project.

In the interval between the end of the financial year and the date of this report, apart from the events mentioned above, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

37 RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

	2013	2012
	$'000	$'000
Loss for the year	**(31,685)**	(18,212)
Depreciation and amortisation	**17,512**	14,553
Amortisation of development costs	**25,359**	25,942
Amortisation of mine properties	**11,515**	10,953
Impairment on available-for-sale financial assets	**137**	5,333
Impairment of assets	**7,888**	-
Net gain on sale on investment	**(2,322)**	-
Net (gain) loss on sale of non-current assets	**(234)**	213
Share based payments	**693**	2,801
Interest income	**(1,131)**	(4,217)
Unrealised gain/(loss) on foreign currency exchange	**(1,712)**	734
Write-off of loan from related party	**-**	1,869
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors and others	**11,344**	(352)
(Increase)/decrease in prepayments	**2,715**	(216)
Increase in trade creditors	**736**	2,648
(Increase) in inventories	**(3,931)**	(1,680)
Decrease in derivative financial instruments	**882**	807
Increase in provisions	**494**	1,838
Decrease in deferred tax assets	**4,362**	994
(Decrease) in deferred tax liabilities	**(16,431)**	(4,324)
(Increase) in other operating assets	**-**	(1,711)
Increase/(decrease) in provision for income taxes payable	**(3,233)**	1,570
Net cash inflow from operating activities	**22,958**	39,543

38 NON-CASH INVESTING AND FINANCING ACTIVITIES

	2013	2012
	$'000	$'000
Acquisition of plant and equipment by means of finance leases	**1,875**	4,090
Shares issued as part of an acquisition of development properties	**-**	29,090
Shares issued as part of payments for exploration expenditure	**1,434**	-
Shares issued as part of an acquisition of exploration properties	**8,110**	-
	11,419	33,180

39 LOSS PER SHARE

(a) Basic loss per share

	2013	2012
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the Company	**(12.5)**	(8.6)
Total basic loss per share attributable to the ordinary equity holders of the Company	**(12.5)**	(8.6)

(b) Diluted loss per share

	2013	2012
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the Company	**(12.5)**	(8.6)
Total diluted loss per share attributable to the ordinary equity holders of the Company	**(12.5)**	(8.6)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(c) Reconciliation of loss used in calculating loss per share

	2013	2012
	$'000	$'000
Basic loss per share		
Loss from continuing operations	**(31,685)**	(18,212)
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share	**(31,685)**	(18,212)
Diluted loss per share		
Loss from continuing operations	**(31,685)**	(18,212)
Loss attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	**(31,685)**	(18,212)

(d) Weighted average number of shares used as denominator

	2013	2012
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**254,394,483**	211,781,650

Due to losses in 2013, performance rights for 1,990,000 potential shares are not considered dilutive.

40 SHARE-BASED PAYMENTS

(a) Performance Shares

Employee Share Plan (ESP)

In 2010, an employee share plan was established, at the discretion of management, certain full time employees will be entitled to performance rights to shares in the Company for no consideration, dependent upon the performance of the Company relative to a group of peers. The rights had two tranches (Tranche 1 and Tranche 2) and two separate performance periods with performance conditions being tested in two different vesting dates (Tranche 1: 1 July 2012 and Tranche 2: 31 December 2013). On 1 July 2012, Tranche 1 of the 2010 ESP lapsed with no shares in the Company being allotted to employees. The peer group comprises those companies who are constituents of the S&P / ASX 300 Metals & Mining Index at the beginning of each relevant performance period. Rights will only be automatically exercised and converted into PAN shares if the TSR ranking of the Company is at or above 50th percentile of the peer group. At the 50th percentile, employees will be entitled to 25% to 49% (pro rata on a straight line basis) of the ESP shares, increasing proportionately to 100% at the 75th percentile.

Grant date	Vesting date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at end of the year
			Number	Number	Number	Number	Number	Number	Number
Consolidated 2013									
03/09/10	01/07/12	02/07/12	520,000	-	-	(520,000)	-	-	-
03/09/10	31/12/13	01/01/14	520,000	-	-	-	-	520,000	-
01/12/10	01/07/12	02/07/12	1,867,500	-	-	(1,867,500)	-	-	-
01/12/10	31/12/13	01/01/14	1,867,500	-	-	-	(397,500)	1,470,000	-
Total			**4,775,000**	**-**	**-**	**(2,387,500)**	**(397,500)**	**1,990,000**	**-**
Weighted average exercise price			$-	$-	$-	$-	$-	$-	$-

Grant date	Vesting date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at end of the year
			Number	Number	Number	Number	Number	Number	Number
Consolidated 2012									
03/09/10	01/07/12	02/07/12	520,000	-	-	-	-	520,000	-
03/09/10	31/12/13	01/01/14	520,000	-	-	-	-	520,000	-
01/12/10	01/07/12	02/07/12	2,332,500	-	-	-	(465,000)	1,867,500	-
01/12/10	31/12/13	01/01/14	2,332,500	-	-	-	(465,000)	1,867,500	-
Total			**5,705,000**	**-**	**-**	**-**	**(397,500)**	**4,775,000**	**-**
Weighted average exercise price			$-	$-	$-	$-	$-	$-	$-

The weighted average remaining contractual life of performance shares outstanding at the end of the period was 0.5 years (2012: 0.75 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

Fair value of Performance Shares

The fair value of each performance share is estimated on the grant date utilising the assumptions underlying the Black Scholes methodology to produce a Monte Carlo simulation model which allows for the incorporation of the Total Shareholder Return (TSR) hurdles that must be met before the Share Based Payment vest in the holder.

The following assumptions were used for grants made and the resulting fair values per performance share for those on issue at 30 June 2013 are:

	2010 Employee Share Plan (ESP)	2010 Employee Share Plan (ESP)
	Tranche 2	Tranche 2
Shares issued under the plan	520,000	2,437,500
Grant date	03/09/2010	01/12/2010
Vesting date	31/12/2013	31/12/2013
Share price at grant date	$2.51	$2.24
Risk free rate	4.43%	4.42%
Dividend yield	5.5%	7.2%
Volatility	75%	74%
Fair Value	$1.61	$1.37

On 1 July 2012, Tranche 1 of the 2010 ESP lapsed with no shares in the Company being allotted to employees.

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not be the actual outcome.

(b) Expenses arising from share-based payment transactions

The cost of equity-settled transactions is recognised, together with the corresponding increase in reserve, over the period in which performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the number of options that, in opinion of the directors of the consolidated entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

(i) Performance shares under employee share plan amount to $0.693 million (2012: $2.801 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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41 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the Parent entity show the following aggregate amounts:

	2013	2012
	$'000	$'000
Balance sheet		
Current assets	**1,648**	3,162
Non-current assets	**104,711**	107,052
Total assets	**106,359**	110,214
Current liabilities	**1,763**	6,829
Non-current liabilities	**41**	79
Total liabilities	**1,804**	6,908
	(317,273)	(323,734)
Shareholders' equity		
Contributed equity	**145,439**	135,895
Reserves	**19,334**	18,641
Retained earnings	**(60,219)**	(51,230)
Capital and reserves attributable to owners of Panoramic Resources Limited	**104,554**	103,306
Profit or (loss) for the year	**(6,419)**	(12,115)
Total comprehensive income	**(6,419)**	(12,115)

(b) Guarantees entered into by the parent entity

The parent entity has given financial guarantees in respect of:

(i) leases of subsidiaries amounting to $9.181 million (2012: $9.657 million);

(ii) the bank facilities of a subsidiary amounting to $0.686 million (2012: $0.803 million); and

(iii) a rehabilitation bank guarantee of a subsidiary (see note 32) amounting to $10.5 million (2012: $22.5 million).

No liability was recognised by the parent entity or the consolidated entity in relation to these guarantees, as the fair value of the guarantees is immaterial.

There are cross guarantees given by Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd as described in note 34. No deficiencies of assets exist in any of these companies.

No liability was recognised by the parent entity or the Group in relation to the cross guarantees.

(c) Contingent liabilities of the parent entity

The parent entity and Group had contingent liabilities at 30 June 2013 in respect of a bank guarantee put in place with a financial institution with a face value of $0.709 million (2012: $0.709 million) in respect to the leasing of the office space in Perth CBD.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2011, the parent entity entered into finance lease arrangements to acquire computer equipment. The lease payments are $12,000 per month over a three year period ending 30 June 2014. These commitments are not recognised as liabilities as the relevant assets have not yet been received.

ADDITIONAL SHAREHOLDER INFORMATION

STOCK EXCHANGE LISTING

Panoramic Resources Limited shares are listed on the Australian Stock Exchange Limited. The Company's ASX code is PAN.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 23 September 2013,

Name of Shareholder	Total Number of Voting Shares in Panoramic Resources Limited in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
HSBC Custody Nominees (Australia) Limited	41,685,507	15.99
JP Morgan Nominees Australia Limited	40,471,639	15.53
JP Morgan Nominees Australia Limited <Cash Income A/C>	26,890,987	10.32
Matsa Resources Limited	14,000,000	5.37

CLASS OF SHARES AND VOTING RIGHTS

At 23 September 2013, there were 5,435 holders of 260,676,416 fully-paid Ordinary shares of the Company. The voting rights attaching to the Ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

c. on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully-paid share held by him, or in respect of which he is appointed a proxy, attorney or Representative have one vote for the share, but in respect of partly-paid shares, shall have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

There are no voting rights attached to the options in the Company. Voting rights will be attached to the issued Ordinary shares when options have been exercised.

UNMARKETABLE SHARES

At 23 September 2013, the number of parcels of shares with a value of less than $500 was 1,274.

DISTRIBUTION OF SHAREHOLDERS

As at 23 September 2013

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1-1,000	768	525,374
1,001-5,000	2,263	6,339,090
5,001-10,000	929	7,554,281
10,001-100,000	1,320	42,197,894
100,001- and over	155	204,059,777
Total:	5,435	260,676,416

ADDITIONAL SHAREHOLDER INFORMATION

LISTING OF 20 LARGEST SHAREHOLDERS

As at 23 September 2013

	Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	41,685,507	15.99
2.	J P MORGAN NOMINEES AUSTRALIA LIMITED	40,471,639	15.53
3.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	26,890,987	10.32
4.	CITICORP NOMINEES PTY LIMITED	11,280,290	4.33
5.	MATSA RESOURCES LIMITED	9,333,333	3.58
6.	PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT ACCOUNT>	9,124,351	3.50
7.	NATIONAL NOMINEES LIMITED	8,675,438	3.33
8.	MATSA RESOURCES LIMITED	4,666,667	1.79
9.	DDH1 DRILLING PTY LTD	4,617,861	1.77
10.	UBS NOMINEES PTY LTD	2,895,633	1.11
11.	ANGLO AMERICAN INVESTMENTS <AUSTRALIA>	2,781,429	1.07
12.	SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	2,167,956	0.83
13.	MR MENG LUO + MRS LAN LIU <LUO & LIU SUPER FUND A/C>	1,915,000	0.73
14.	SPRINGWAY INVESTMENTS PTY LTD <ALLNUTT VENTURES FAMILY A/C>	1,459,227	0.56
15.	MRS SUE-ELLEN STUART	1,273,853	0.49
16.	WINTON VALE PTY LTD <HAROLD SUPER FUND A/C>	990,000	0.38
17.	MR MENG LUO + MRS LAN LIU <LUO & LIU FAMILY A/C>	948,000	0.36
18.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	897,654	0.34
19.	QIC LIMITED	883,795	0.34
20.	MR TERENCE PAUL WESTON <WESTON FAMILY A/C>	825,000	0.32
	Total:	173,783,620	66.67

UNQUOTED EQUITY SECURITIES

As at 23 September 2013,

Securities	Number of Securities	Exercise Price $	Expiry Date	Number of Holders
None	NIL	NIL	NIL	NIL

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Copernicus JV	L80/52	Live	141	HA	141	~78% - THX diluting	PanRes	~78% of Commit, Rent & Rates	SMY Copernicus Pty Ltd & Thundelarra Exploration Ltd
Copernicus JV	M80/540	Live	129	HA	129	~78% - THX diluting	PanRes	~78% of Rent & Rates	SMY Copernicus Pty Ltd & Thundelarra Exploration Ltd
Cowan Ni Project JV	E15/821	Live	4	BL	1200	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	E15/822	Live	4	BL	1,200	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	E15/828	Live	26	BL	7,800	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	E63/1071	Live	46	BL	13,800	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	E63/873	Live	11	BL	3,300	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	M15/507	Live	360	HA	360	100% Ni Rights only	Avoca	100% Ni Rights - 20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	M15/581	Live	481	HA	481	100% Ni Rights only	Avoca	100% Ni Rights - 20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	M15/681	Live	944	HA	944	100% Ni Rights only	Avoca	100% Ni Rights - 20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	M15/682	Live	877	HA	877	100% Ni Rights only	Avoca	100% Ni Rights - 50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	M15/820	Live	968	HA	968	100% Ni Rights only	Avoca	100% Ni Rights - 50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P15/5414	Live	200	HA	200	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P15/5416	Live	185	HA	185	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P15/5417	Live	191	HA	191	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P15/5425	Live	197	HA	197	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P15/5426	Live	199	HA	199	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P15/5445	Live	185	HA	185	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project JV	P63/1732	Live	200	HA	200	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Resources Ltd
Cowan Ni Project JV	P63/1733	Live	193	HA	193	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Resources Ltd
Cowan Ni Project JV	P63/1785	Live	194	HA	194	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Resources Ltd
Cowan Ni Project JV	P63/1788	Live	182	HA	182	100% Ni Rights only	Avoca	100% Ni Rights - 100% Rents & Rates	Avoca Resources Ltd
East Kimberley JV	E80/2748	Live	34	BL	10,200	~ 63% - THX diluting	PanRes	~61% of Commit, Rents & Rates	Pindan Exploration Company Pty Ltd & Thundelarra Exploration Ltd
East Kimberley JV	E80/4225	Live	4	BL	1,200	~63% - THX diluting	PanRes	~61% of Commit, Rents & Rates	Pindan Exploration Company Pty Ltd & Thundelarra Exploration Ltd
East Kimberley JV	E80/4482	Live	10	BL	3,000	~ 63% - THX diluting	PanRes	~61% of Commit, Rents & Rates	Pindan Exploration Company Pty Ltd & Thundelarra Exploration Ltd
East Kimberley JV	E80/4484	Live	6	BL	1,800	~ 63% - THX diluting	PanRes	~61% of Commit, Rents & Rates	Pindan Exploration Company Pty Ltd & Thundelarra Exploration Ltd
East Kimberley JV	E80/4765	Pending	1	BL	300	~63% - THX diluting	PanRes	~61% of Commit, Rents & Rates	Pindan Exploration Company Pty Ltd & Thundelarra Exploration Ltd
Gidgee	E51/1144	Live	28	BL	8,400	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E51/1538	Pending	51	BL	15,300	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E53/1215	Live	34	BL	10,200	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E53/1273	Live	18	BL	5,400	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E53/1396	Live	4	BL	1,200	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E53/1725	Live	52	BL	15,600	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E53/1737	Pending	1	BL	300	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E57/633	Live	54	BL	16,200	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E57/636	Live	19	BL	5,700	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E57/676	Live	33	BL	9,900	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E57/678	Live	35	BL	10,500	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E57/705	Live	7	BL	2,100	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	E57/755	Live	5	BL	1,500	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L51/92	Pending	7	HA	7	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L51/93	Pending	6	HA	6	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/116	Live	9	HA	9	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/188	Pending	52	HA	52	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/189	Pending	69	HA	69	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/46	Live	60	HA	60	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/47	Live	24	HA	24	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/95	Live	71	HA	71	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L53/96	Live	237	HA	237	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L57/20	Live	7	HA	7	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L57/44	Live	32	HA	32	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	L57/47	Pending	36	HA	36	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Gidgee	M51/104	Live	37	HA	37	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/105	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/157	Live	94	HA	94	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/185	Live	239	HA	239	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/186	Live	365	HA	365	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/290	Live	5	HA	5	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/410	Live	346	HA	346	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M51/458	Live	620	HA	620	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/10	Live	10	HA	10	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/105	Live	554	HA	554	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/11	Live	10	HA	10	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/153	Live	917	HA	917	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/251	Live	170	HA	170	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/252	Live	998	HA	998	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/500	Live	381	HA	381	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/716	Live	251	HA	251	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/904	Live	9	HA	9	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M53/988	Live	512	HA	512	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/143	Live	23	HA	23	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/144	Live	288	HA	288	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/145	Live	174	HA	174	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/146	Live	756	HA	756	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/19	Live	366	HA	366	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/210	Live	527	HA	527	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/231	Live	362	HA	362	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/236	Live	775	HA	775	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/241	Live	60	HA	60	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/242	Live	274	HA	274	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/250	Live	637	HA	637	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/251	Live	352	HA	352	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/26	Live	286	HA	286	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/291	Live	82	HA	82	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/292	Live	146	HA	146	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/33	Live	249	HA	249	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/349	Live	278	HA	278	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/375	Live	177	HA	177	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/633	Live	651	HA	651	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/69	Live	954	HA	954	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/70	Live	971	HA	971	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/71	Live	623	HA	623	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/72	Live	734	HA	734	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/73	Live	430	HA	430	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	M57/74	Live	857	HA	857	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P53/1576	Live	25	HA	25	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P53/1577	Live	17	HA	17	100%	PanRes	100% of Commit, Rents & Rates	Gold & Mineral Resources Pty Ltd
Gidgee	P53/1581	Live	72	HA	72	100%	PanRes	100% of Commit, Rents & Rates	Gold & Mineral Resources Pty Ltd
Gidgee	P53/1582	Live	61	HA	61	100%	PanRes	100% of Commit, Rents & Rates	Gold & Mineral Resources Pty Ltd
Gidgee	P57/1105	Live	45	HA	45	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1106	Live	166	HA	166	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1213	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1241	Live	72	HA	72	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1242	Live	199	HA	199	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1243	Live	194	HA	194	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1304	Live	48	HA	48	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1305	Live	157	HA	157	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1306	Live	19	HA	19	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1307	Live	169	HA	169	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Gidgee	P57/1308	Live	125	HA	125	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1309	Live	81	HA	81	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Gidgee	P57/1310	Live	15	HA	15	100%	PanRes	100% of Commit, Rents & Rates	Panoramic Gold Pty Ltd
Griffins Find JV	E70/1958	Live	8	BL	2,400	option to purchase 100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Brian Alexander McNab
Griffins Find JV	E70/2465	Live	2	BL	600	option to purchase 100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Brian Alexander McNab
Griffins Find JV	E70/3619	Live	57	BL	17,100	option to purchase 100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	JML Resources Pty Ltd
Higginsville	E15/1389	Pending	2	BL	600	100%	PanRes	100% of Commit, Rents & Rates	Pindan Exploration Company Pty Ltd
Lake Grace JV	E70/3659	Live	33	BL	9,900	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4324	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4325	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4326	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4331	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4332	Live	198	BL	59,400	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4333	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4334	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4335	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4336	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4337	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4338	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4339	Live	200	BL	60,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4340	Live	159	BL	47,700	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4352	Live	137	BL	41,100	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4356	Live	182	BL	54,600	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4357	Live	170	BL	51,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4358	Live	170	BL	51,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4359	Live	142	BL	42,600	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4360	Live	130	BL	39,000	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lake Grace JV	E70/4361	Live	122	BL	36,600	100%	Auzex	Nil - 100% of Commitments being met by Auzex while farming in	Greenstone Metals Limited
Lanfranchi	M15/1295	Pending	40	HA	40	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	M15/473	Live	982	HA	982	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/346	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/347	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/367	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/368	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/369	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/370	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Lanfranchi	ML15/371	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/372	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/375	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/376	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/377	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/378	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/379	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/380	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/381	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/382	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/383	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/384	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/385	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/386	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/387	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/388	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/389	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/482	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/483	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/484	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/485	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/486	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/487	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/488	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/489	Live	73	HA	73	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/490	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/491	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/492	Live	120	HA	120	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	ML15/493	Live	121	HA	121	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Lanfranchi	P15/3752	Live	40	HA	40	100%	PanRes	100% of Commit, Rents & Rates	Cherish Metals Pty Ltd 72/96 & Donegal Lanfranchi Pty Ltd 24/96
Laverton - Poseidon JV	E38/1930	Live	37	BL	11,100	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	E39/1296	Live	8	BL	2,400	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	M38/372	Live	109	HA	109	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	M38/694	Live	967	HA	967	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Laverton - Poseidon JV	P38/3496	Live	22	HA	22	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P38/3497	Live	141	HA	141	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P38/3499	Live	80	HA	80	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P38/3717	Live	166	HA	166	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P38/3718	Live	69	HA	69	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P38/3719	Live	36	HA	36	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P38/3721	Live	40	HA	40	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P39/4648	Live	121	HA	121	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Poseidon JV	P39/4782	Live	52	HA	52	100%	Poseidon	Nil - 100% of Commitments being met by Poseidon while farming in	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/101	Live	584	HA	584	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/159	Live	598	HA	598	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/342	Live	317	HA	317	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/358	Live	120	HA	120	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/363	Live	6	HA	6	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/364	Live	19	HA	19	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/37	Live	650	HA	650	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/38	Live	281	HA	281	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/39	Live	467	HA	467	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/40	Live	927	HA	927	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/46	Live	637	HA	637	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/48	Live	612	HA	612	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/49	Live	946	HA	946	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/52	Live	106	HA	106	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/535	Live	465	HA	465	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	M38/693	Live	992	HA	992	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	P38/3327	Live	14	HA	14	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	P38/3488	Live	28	HA	28	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	P38/3490	Live	35	HA	35	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	P38/3500	Live	186	HA	186	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Laverton - Focus JV	P38/3501	Live	186	HA	186	100% Ni-Cu-PGM	Focus	Nil	Focus Minerals (Laverton) Limited
Mt Henry JV	L63/58	Live	32	HA	32	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	L63/64	Live	7	HA	7	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	L63/65	Pending	11	HA	11	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	M63/165	Live	202	HA	202	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	M63/236	Live	10	HA	10	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	M63/366	Live	55	HA	55	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	M63/515	Live	709	HA	709	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	M63/516	Live	711	HA	711	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P 63/1640	Live	139	HA	139	70%	PanRes	70% of Commit, Rents & Rates	Matsa Resources Limited
Mt Henry JV	P63/1389	Live	116	HA	116	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1391	Live	61	HA	61	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1392	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1393	Live	190	HA	190	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Mt Henry JV	P63/1394	Live	98	HA	98	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1395	Live	122	HA	122	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1396	Live	116	HA	116	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1397	Live	122	HA	122	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1398	Live	120	HA	120	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1399	Live	120	HA	120	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1400	Live	139	HA	139	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1401	Live	104	HA	104	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1402	Live	109	HA	109	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1403	Live	117	HA	117	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1404	Live	80	HA	80	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1405	Live	14	HA	14	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1406	Live	131	HA	131	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1407	Live	158	HA	158	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1408	Live	76	HA	76	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1409	Live	63	HA	63	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1410	Live	121	HA	121	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1411	Live	119	HA	119	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1412	Live	114	HA	114	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1413	Live	186	HA	186	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1414	Live	184	HA	184	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1415	Live	184	HA	184	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1416	Live	117	HA	117	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1417	Live	178	HA	178	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1418	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1419	Live	186	HA	186	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1420	Live	26	HA	26	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1421	Live	10	HA	10	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1422	Live	129	HA	129	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1423	Live	27	HA	27	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1424	Live	86	HA	86	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1425	Live	153	HA	153	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1426	Live	180	HA	180	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1427	Live	122	HA	122	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Mt Henry JV	P63/1428	Live	105	HA	105	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1454	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1455	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1456	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1457	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1458	Live	198	HA	198	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1459	Live	199	HA	199	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1460	Live	187	HA	187	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1461	Live	109	HA	109	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1462	Live	121	HA	121	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1463	Live	126	HA	126	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1464	Live	167	HA	167	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1465	Live	138	HA	138	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1466	Live	177	HA	177	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1467	Live	193	HA	193	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1562	Live	144	HA	144	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1563	Live	194	HA	194	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1564	Live	167	HA	167	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1565	Live	196	HA	196	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1566	Live	191	HA	191	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1567	Live	189	HA	189	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1568	Live	188	HA	188	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1569	Live	76	HA	76	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1570	Live	116	HA	116	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1572	Live	172	HA	172	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1573	Live	193	HA	193	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1574	Live	166	HA	166	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1581	Live	196	HA	196	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1636	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1637	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1638	Live	74	HA	74	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1639	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1661	Live	19	HA	19	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1673	Live	6	HA	6	70%	PanRes	70% of Commit, Rents & Rates	Matsa Resources Limited
Mt Henry JV	P63/1674	Live	180	HA	180	70%	PanRes	70% of Commit, Rents & Rates	Matsa Resources Limited

SCHEDULE OF TENEMENTS

AS AT 17 JULY 2013

Project	Tenement	Status	Area	Area Type	Area (ha)	Equity	Tenement Manager	Panoramic Commitment	Current Registered Holders
Mt Henry JV	P63/1675	Live	17	HA	17	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1751	Live	200	HA	200	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1752	Live	178	HA	178	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1753	Live	171	HA	171	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1754	Live	150	HA	150	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1755	Live	145	HA	145	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1805	Live	141	HA	141	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1806	Live	137	HA	137	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1807	Live	183	HA	183	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1852	Live	164	HA	164	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Mt Henry JV	P63/1853	Live	9	HA	9	70%	PanRes	70% of Commit, Rents & Rates	Australian Strategic and Precious Metals Investment Pty Ltd
Panton	M80/103	Live	860	HA	860	100%	PanRes	100% of Commit, Rents & Rates	Panton Sill Pty Ltd
Panton	M80/104	Live	571	HA	571	100%	PanRes	100% of Commit, Rents & Rates	Panton Sill Pty Ltd
Panton	M80/105	Live	829	HA	829	100%	PanRes	100% of Commit, Rents & Rates	Panton Sill Pty Ltd
Savannah	L80/64	Live	311	HA	311	100%	PanRes	100% of Commit, Rents & Rates	Savannah Nickel Mines Pty Ltd
Savannah	M80/179	Live	242	HA	242	100%	PanRes	100% of Commit, Rents & Rates	Savannah Nickel Mines Pty Ltd
Savannah	M80/180	Live	961	HA	961	100%	PanRes	100% of Commit, Rents & Rates	Savannah Nickel Mines Pty Ltd
Savannah	M80/181	Live	960	HA	960	100%	PanRes	100% of Commit, Rents & Rates	Savannah Nickel Mines Pty Ltd
Savannah	M80/182	Live	600	HA	600	100%	PanRes	100% of Commit, Rents & Rates	Savannah Nickel Mines Pty Ltd
Savannah	M80/183	Live	960	HA	960	100%	PanRes	100% of Commit, Rents & Rates	Savannah Nickel Mines Pty Ltd

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Brian M Phillips
Non-Executive Chairman

Peter J Harold
Managing Director

Christopher D J Langdon
Non-Executive Director

John Rowe
Non-Executive Director

MANAGEMENT

Trevor R Eton
Chief Financial Officer & Company Secretary

Terry J Strong
Chief Operating Officer

Angus S Thomson
Executive General Manager Business Development Manager

Christopher J Williams
General Manager Project Development & Technical Services

John D Hicks
General Manager Exploration

Tracey Ram
General Manager Human Resources

Jason Grover
Financial Controller

Tim Shervington
Commercial Manager

Stewart Clark
IT Manager

Andrew Math
Finance Manager

Evy Litopoulos
Investor Relations Manager

Geoff Rogers
Legal Counsel

SAVANNAH PROJECT

Mark Recklies
General Manager

LANFRANCHI PROJECT

Tim Mason
General Manager

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