



Vision, Commitment, Results

26 February 2009

ASX: PAN

NEWS RELEASE

HALF YEAR FINANCIAL RESULTS

- Net profit after tax of **\$9.0 million** (before impairment charge)
- Net loss after tax and impairment of **\$8.6 million**
- Strong financial position with **cash and receivables of \$80 million** and no bank debt
- Hedge book mark to market valuation "in the money" **\$74 million**
- Board declares a **1 cent fully franked interim dividend**

Summary of Financial Results	Dec Half 2008	Dec Half 2007	Dec Half 2006
Financials			
Total net revenue (A\$m)*	113.3	107.2	148.7
EBITDA before impairment (A\$m)	39.5	51.6	70.7
Net profit after tax, before impairment (A\$m)	9.0	24.4	32.7
Net impairment after tax (A\$m)	(17.6)	-	-
Net profit/(loss) after tax (A\$m)	(8.6)	24.4	32.7
EPS (cents/share)	(4.5)	12.9	17.7
Production			
Nickel (tonnes)**	7,913	5,773	6,302
Copper (tonnes)***	2,337	2,174	2,059
Cobalt (tonnes)	206	207	224

* Net of smelter/ concentrate treatment charges and profit/(losses) on commodity hedges

** Nickel in concentrate from Savannah and 75% share of nickel in ore from Lanfranchi

*** Copper in concentrate from Savannah and 75% share of copper in ore from Lanfranchi

HALF YEAR FINANCIAL RESULTS FOR PERIOD ENDING 31 DECEMBER 2008

Panoramic reported an operating loss of \$8.64 million after tax and asset impairment. Given the state of world commodity markets and the subdued outlook for nickel in the short to medium term, the Board has taken a prudent and conservative approach to the carrying values of the Company's mining assets, resulting in write-downs totalling \$17.6 million after tax as follows:

Impairment of Assets (after tax)

Write-down	Description
\$8.6 million	Copernicus - open pit development costs (Panoramic's 60% interest)
\$9.0 million	Savannah Project - a portion of capitalised development costs
\$17.6 million	Total

Commentary

During the period, the Company's Savannah Nickel Mine produced 52,015 tonnes of concentrate at an average nickel grade of 7.69% containing 4,002 tonnes of nickel compared to 2007 production of 47,926 tonnes of concentrate at an average grade of 7.89% containing 3,781 tonnes of nickel (a 6% increase). The Lanfranchi Joint Venture (Panoramic 75% interest), produced 196,698 tonnes of ore at an average nickel grade of 2.65% containing 5,214 tonnes of nickel in ore compared to 2007 production of 115,425 tonnes of ore at an average nickel grade of 2.35% containing 2,716 tonnes of nickel in ore (a 92% increase).

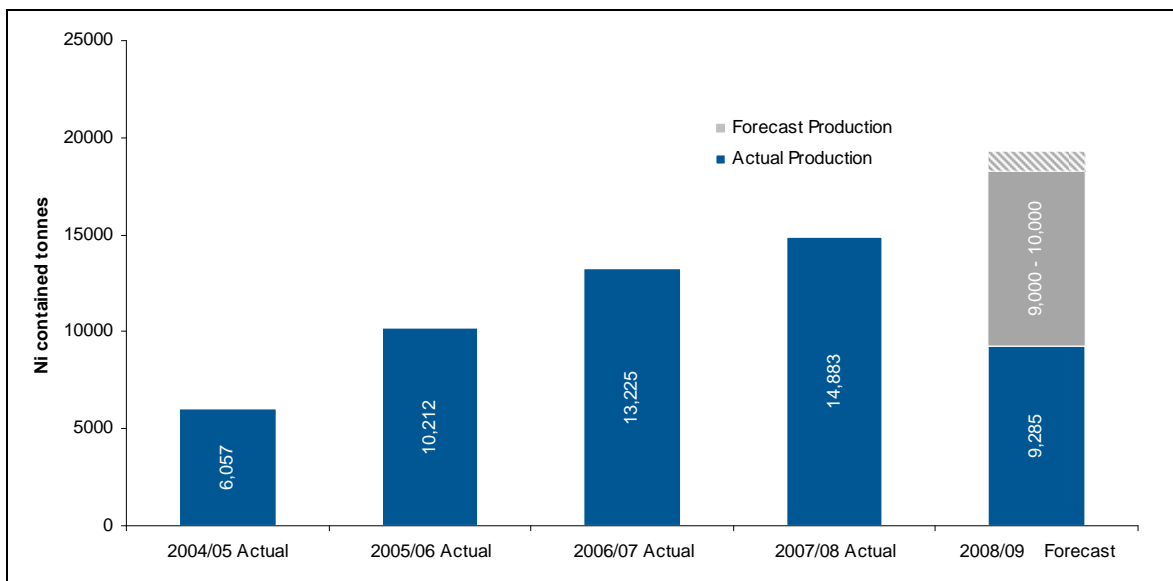
While group equity nickel contained production for the half year of 7,913 tonnes was a record, the operating result was impacted by the decline in the nickel price which averaged A\$8.51/lb over the half year compared to A\$15.57/lb over the previous corresponding half year. In light of the Company's net profit after tax and before impairment of \$9.0 million, the Board has declared an interim, fully franked dividend of 1 cent per share, demonstrating the Company's commitment to returning value to shareholders by maintaining a dividend stream. The details of the interim dividend are as follows:

- Ex-Dividend Date – Wednesday, 4 March 2009;
- Record Date – 5.00pm (WDST) Tuesday, 10 March 2009;
- Payment Date – Friday, 20 March, 2009.

In response to the global economic downturn, the Company initiated significant cost reduction and efficiency measures to sustain its operations during the current low nickel price environment. These initiatives are expected to have limited impact on future group nickel production with the benefits expected to flow through to earnings from January 2009.

Production Outlook

The production forecast for Panoramic's combined operations (Lanfranchi & Savannah) for 2008/09 is expected to be in the range of 18,000-19,000t Ni contained plus copper and cobalt credits (100% project basis), which represents a 20-30% increase on financial year 2007/08. Panoramic's equity share of forecast production is expected to be in the range of 15,500-16,500t Ni contained.



Notes

1. Savannah production is based on Ni in concentrate (PAN owns 100% of Savannah)
2. Lanfranchi production is based Ni in ore (PAN owning 75% of Lanfranchi)
3. 2008/09 Forecast is based on Deacon ventilation system commissioning in late February 2009 and 3 Jumbo operating scenario

About the Company

Panoramic Resources Limited (ABN:47 095 792 288) is an established Western Australian based nickel sulphide producer with two underground mines, the Savannah Project in the Kimberley (100% owned) and the Lanfranchi Mine (75% owned) 42km south of Kambalda. In 2007/08 our operations produced close to 15,000t Ni contained. The Company has a target for group production of 20,000t Ni per annum for at least the next 10 years. Panoramic has a significant exploration portfolio in the Kimberley and at Lanfranchi and is expanding exploration activities in order to grow the resource base and to increase each operation's mine life. Panoramic is continuing to assess opportunities to grow the Company through acquisitions of projects and/or companies that would be complementary to existing business, and reflect the Company's commodity expertise and risk profile.

For further information contact:

Peter Harold
Managing Director
+61 8 9225 0999



PANORAMIC
RESOURCES LTD

Vision, Commitment, Results

Panoramic Resources Limited

ABN: 47 095 792 288

Interim Financial Report

For the half-year ended 31 December 2008

*This Interim Financial Report is provided to the Australian Stock Exchange (ASX) under
ASX Listing Rule 4.2A.3*

Current Reporting Period: Half Year Ending 31 December 2008

Previous Reporting Period: Half Year Ending 31 December 2007

INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Panoramic Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This financial report covers the consolidated entity consisting of Panoramic Resources Limited and its subsidiaries. The financial report is presented in Australian dollars.

Panoramic Resources Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Panoramic Resources Limited
Level 9, Panoramic House
553 Hay Street
Perth WA 6000

APPENDIX 4D - INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		A\$'000		2007 A\$'000		2008 A\$'000
Revenue (note 1)	up	6,123	from	107,159	to	113,282
Results after tax from ordinary activities	down	33,017	from	24,374	to	(8,643)
Results after tax attributable to members	down	33,017	from	24,374	to	(8,643)

Note 1 – Revenue is after deducting concentrate treatment costs and smelter payment deductions and after including gains on delivered/deferred commodity hedges of \$25,791,000 (2007: \$31,798,000 losses).

DIVIDENDS

The Company has declared a fully franked one cent per share Interim Dividend for the half year ended 31 December 2008 (31 December 2007: fully franked seven cents per share Interim Dividend).

NET TANGIBLE ASSETS PER SHARE

	31 December 2007 \$ per share	31 December 2008 \$ per share
Net tangible assets per share	0.93	1.23

OTHER INFORMATION

Except for the matters noted above and subject to the requirements being applicable to the Company, all the disclosure requirements pursuant to ASX Listing Rule 4.2A.3 are contained within Panoramic Resources Limited's Half Year Report for the period ended 31 December 2008 which accompanies this Preliminary Half Year Report (Appendix 4D).

DIRECTORS' REPORT

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 half-year ended 31 December 2008.

DIRECTORS

The names of the directors of the company during the half-year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Christopher J G de Guingand

Peter J Harold

Christopher D J Langdon

John Rowe

Brian M Phillips

REVIEW OF OPERATIONS

Operating Result for the Half-year

The consolidated entity loss after tax for the financial period ended 31 December 2008 was \$8,643,000 (2007: \$24,374,000 profit).

The operating result for the half year was severely impacted by the decline in the nickel price. The spot nickel price, in Australian dollar terms, averaged \$8.51 per pound during the financial period. In the previous corresponding half year, the equivalent Australian dollar nickel price was \$15.57 per pound. On a period on period basis, this represented a fall of approximately 45 percent and adversely impacted on the sale price achieved for nickel production not hedged by either nickel forwards or nickel put options.

Included in the consolidated entity loss before income tax expense was an impairment charge of \$25,109,000 (2007: nil). The impairment charge was booked following a comprehensive review of the recoverable amount of each project's carried forward values in light of the significant fall in the nickel price.

Mining Operations

During the period, the Company's Savannah Nickel Mine produced 52,015 dry metric tonnes of concentrate at an average nickel grade of 7.69% for 4,002 tonnes of nickel in concentrate (2007: 47,926 dry metric tonnes of concentrate at an average grade of 7.89% for 3,781 tonnes of nickel in concentrate).

The Lanfranchi Joint Venture (of which the Company has a 75% interest), produced 196,698 dry metric tonnes of ore at an average nickel grade of 2.65% for 5,214 tonnes of nickel in ore (2007: 115,425 dry metric tonnes of ore at an average nickel grade of 2.35% for 2,716 tonnes of nickel in ore).

The Copernicus Joint Venture (of which the Company has a 60% interest) began mining of the Copernicus open pit during the period. Due to the weakness in the nickel price, the Company and its joint venture partner, Thundelarra Exploration Limited, decided in November 2008 to suspend mining operations. The open pit mine was subsequently placed on care and maintenance in January 2009. At the cessation of open pit operations, approximately 20,000 dry metric tonnes of ore at an average nickel grade of 1.47% was stockpiled at the Savannah Process Plant. These tonnes are scheduled to be treated through the Savannah Process Plant before the end of the financial year.

In response to the global economic downturn, the Company initiated in October 2008, significant cost reduction measures to sustain its operations during the foreseeable low nickel price environment. These cost reduction initiatives have been implemented at the Savannah and Lanfranchi mines in concert with cost reductions at the Company's Perth Corporate Office. These cost reductions will have limited impact on future group nickel ore production.

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS (Continued)

Exploration and Development Projects

The drilling programme to evaluate the resources in the Lower Ore Zone at Savannah is scheduled to be completed in March 2009. The drill programme has also identified mineralization within the off setting 500 Fault Zone. The results from the drill programme will be incorporated in the forthcoming updated Savannah Resource Statement, which is due to be released before the end of the financial year.

At the Lanfranchi Project, down-plunge drilling of the Deacon Resource was completed in the half year. As published in the Company's December 2008 quarterly activities report, this drilling resulted in a 13% increase in the Deacon Resource to 2,460,000 tonnes at an average nickel grade of 2.92% for 71,800 tonnes of nickel in ore. Mine planning studies are underway to convert the revised Deacon Resource into Ore Reserve status before the end of the financial year.

In October 2008, the Company signed an agreement with Norrland Resources Ltd to earn the right of up to a 70% interest in a joint venture to explore for nickel sulphide mineralisation in the Vasterbotten district of Sweden. Vasterbotten is geologically similar to the Thompson Nickel Belt in Canada which contains greater than 2 millions tonnes of nickel.

Development of the Deacon orebody continued during the period with the completion of raisebore activities associated with the Deacon ventilation project. Construction of the ventilation fan commenced with commissioning of the completed ventilation system expected in March 2009.

The information in this release that relates to Exploration Results and Mineral Resources is based on information compiled or reviewed by John Hicks who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Hicks 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 he 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 release of the matters based on his information in the form and context in which it appears.

Corporate Activities

During the period, 92,000 employee options were exercised under the 2004 Panoramic Employee Share Option Plan, at a weighted average exercise price of 0.83 cents per share.

SUBSEQUENT EVENTS

Interim Dividend

On 25 February 2009, the Company's Board resolved to declare a one cent per share fully franked interim dividend to be paid out of retained earnings at 31 December 2008. The dividend payment date is set down for 20 March 2009.

ROUNDING

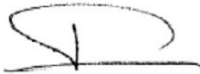
The company is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to be 'Peter J Harold', written over a horizontal line.

Peter J Harold
Managing Director
Perth, 25 February 2009

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

In relation to our review of the financial report of Panoramic Resources Limited for the half year ended 31 December 2008, 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.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham'.

Gavin A. Buckingham
Partner
Perth

25 February 2009

To the members of Panoramic Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Panoramic Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Panoramic Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

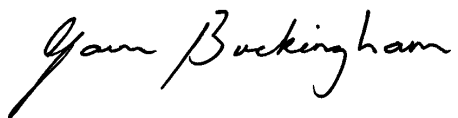
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Panoramic Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham' in a cursive script.

Gavin Buckingham
Partner
Perth

25 February 2009


DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter J Harold
Managing Director

Perth, 25 February 2009

Panoramic Resources Limited
Consolidated income statement
For the half-year ended 31 December 2008

		Half-year ended Consolidated	
	Notes	31 December 2008 \$'000	31 December 2007 \$'000
Revenue from continuing operations	3	113,281	107,159
Other income	4	1,254	405
Cost of sales of goods		(93,552)	(71,058)
Other expenses		(4,356)	(5,752)
Impairment of mine assets	5	(25,109)	-
Mark to market on derivatives		2,506	4,118
Exploration and evaluation expenses		(5,846)	(427)
Impairment of available for sale financial assets		(630)	-
Finance costs	5	(377)	(672)
(Loss) / profit before income tax		(12,829)	33,773
Income tax benefit / (expense)	6	4,186	(9,399)
(Loss) / profit from continuing operations		(8,643)	24,374
(Loss) / profit for the half-year		(8,643)	24,374
(Loss) / profit is attributable to:			
Equity holders of Panoramic Resources Limited		(8,643)	24,374
		(8,643)	24,374
		Cents	Cents
Earnings per share for (loss) / profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic (loss) / earnings per share		(4.5)	12.9
Diluted (loss) / earnings per share		(4.5)	12.5

Panoramic Resources Limited
Consolidated balance sheet
As at 31 December 2008

	Notes	31 December 2008 \$'000	30 June 2008 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	49,625	110,928
Trade and other receivables		30,250	17,181
Inventories		12,614	11,174
Derivative financial instruments	8	48,041	28,790
Current tax asset		626	-
		<u>141,156</u>	<u>168,073</u>
Total current assets		<u>141,156</u>	<u>168,073</u>
Non-current assets			
Receivables		1,800	565
Available-for-sale financial assets		300	1,743
Derivative financial instruments	8	28,233	12,506
Property, plant and equipment		57,055	62,067
Exploration and evaluation		15,988	13,068
Development properties		62,062	58,259
Mine properties		12,423	15,602
Other non-current assets		262	262
Total non-current assets		<u>178,123</u>	<u>164,072</u>
Total assets		<u>319,279</u>	<u>332,145</u>
LIABILITIES			
Current liabilities			
Trade and other payables		34,399	31,331
Borrowings		3,960	6,403
Derivative financial instruments	8	2,591	-
Current tax liabilities		-	26,094
		<u>40,950</u>	<u>63,828</u>
Total current liabilities		<u>40,950</u>	<u>63,828</u>
Non-current liabilities			
Borrowings		563	1,993
Deferred tax liabilities		33,205	26,459
Provisions		8,996	8,129
Total non-current liabilities		<u>42,764</u>	<u>36,581</u>
Total liabilities		<u>83,714</u>	<u>100,409</u>
Net assets		<u>235,565</u>	<u>231,736</u>
EQUITY			
Contributed equity	9	78,885	78,424
Reserves		55,660	34,055
Retained earnings		101,020	119,257
Total equity		<u>235,565</u>	<u>231,736</u>

Panoramic Resources Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2008

Consolidated

Notes	Issued capital \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Balance at 1 July 2007	72,476	101,999	(52,640)	121,835
Changes in the fair value of available-for-sale financial assets, net of tax	-	-	(372)	(372)
Changes in the fair value of cash flow hedges, net of tax	-	-	20,327	20,327
Transfer from cash flow hedge reserve to net profit, net of tax	-	-	30,608	30,608
Net income/(expense) recognised directly in equity	-	-	50,563	50,563
Profit for half-year	-	24,374	-	24,374
Total recognised income and expense for the year	-	24,374	50,563	74,937
Contributions of equity, net of transaction costs	9b 1,030	-	-	1,030
Dividends provided for or paid	10 -	(22,729)	-	(22,729)
Employee share options - value of employee services charged to the consolidated entity	-	-	1,711	1,711
Employee share options - value of employee services charged to joint venture partners	-	-	38	38
	1,030	(22,729)	1,749	(19,950)
Balance at 31 December 2007	73,506	103,644	(328)	176,822
Balance at 1 July 2008	78,424	119,257	34,055	231,736
Changes in the fair value of available-for-sale financial assets, net of tax	-	-	(569)	(569)
Changes in the fair value of cash flow hedges, net of tax	-	-	41,628	41,628
Transfer from cash flow hedge reserve to net profit, net of tax	-	-	(20,711)	(20,711)
Net income/(expense) recognised directly in equity	-	-	20,348	20,348
Loss for half-year	-	(8,643)	-	(8,643)
Total recognised income and expense for the half-year	-	(8,643)	20,348	11,705
Contributions of equity, net of transaction costs	9b 461	-	-	461
Dividends provided for or paid	10 -	(9,594)	-	(9,594)
Employee share options - value of employee services charged to the consolidated entity	-	-	1,217	1,217
Employee share options - value of employee services charged to joint venture partners	-	-	40	40
Balance at 31 December 2008	78,885	101,020	55,660	235,565

Panoramic Resources Limited
Consolidated cash flow statement
For the half-year ended 31 December 2008

		Half-year ended	
		Consolidated	
		31 December	31 December
		2008	2007
Notes		\$'000	\$'000
Cash flows from operating activities			
	Receipts from customers (inclusive of goods and services tax)	98,065	92,774
	Payments to suppliers and employees (inclusive of goods and services tax)	(71,272)	(68,119)
	Income taxes paid	(24,123)	(21,621)
	Interest paid	(292)	(424)
	Payments for exploration and evaluation expense	(5,846)	(427)
	Net cash (outflow) / inflow from operating activities	(3,468)	2,183
Cash flows from investing activities			
	Payments for property, plant and equipment	(14,664)	(16,402)
	Payments for exploration expense	(823)	(2,451)
	Payments for mineral properties	(2,399)	(1,125)
	Payments for development costs	(29,154)	(13,518)
	Proceeds from sale of property, plant and equipment	-	89
	Interest received	2,596	3,061
	Net cash (outflow) from investing activities	(44,444)	(30,346)
Cash flows from financing activities			
	Proceeds from issues of ordinary shares	77	1,031
	Proceeds from related parties	-	590
	Repayment of borrowings	(3,874)	(4,047)
	Dividends paid to company's shareholders	(9,594)	(22,729)
10	Net cash (outflow) from financing activities	(13,391)	(25,155)
Net decrease in cash and cash equivalents		(61,303)	(53,318)
	Cash and cash equivalents at the beginning of the half-year	110,928	119,587
7	Cash and cash equivalents at end of the half-year	49,625	66,269

1 Summary of significant accounting policies

The financial report of Panoramic Resources Limited (the Company) for the half year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 25 February 2009.

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

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Panoramic Resources Limited as at 30 June 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by Panoramic Resources Limited and its controlled entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under ASX listing rules.

(a) Basis of preparation of half-year financial report

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments and available for sale investments that have been measured at fair value. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2008, as described in Note 1(d).

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Panoramic Resources Limited and its subsidiaries as at 31 December 2008 ('the Group').

1 Summary of significant accounting policies (continued)

(d) New accounting standards and interpretations

The group has not elected to early adopt any new standards or amendments.

2 Segment information

Panoramic Resources Limited operates in one business segment - nickel mining and mineral exploration and in one geographical area - Australia.

3 Revenue

	Half-year ended Consolidated	
	31 December 2008 \$'000	31 December 2007 \$'000
<i>Sales revenue</i>		
Sale of goods	<u>110,685</u>	104,098
	110,685	104,098
 <i>Other revenue</i>		
Interest	<u>2,596</u>	3,061
	2,596	3,061
	<u>113,281</u>	<u>107,159</u>

4 Other income

	Half-year ended Consolidated	
	31 December 2008 \$'000	31 December 2007 \$'000
Foreign exchange gains (net)	1,210	404
Sundry income	<u>44</u>	1
	1,254	405

5 Profit for the half-year

	Half-year ended	
	Consolidated	
	31 December 2008 \$'000	31 December 2007 \$'000
Profit before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable	285	463
Unwinding of discount - rehabilitation	86	140
Facility costs	6	69
Finance costs expensed	<u>377</u>	<u>672</u>
<i>Depreciation</i>		
Property, plant and equipment	6,897	5,424
Plant and equipment under finance leases	3,951	855
Total depreciation	<u>10,848</u>	<u>6,279</u>
<i>Amortisation</i>		
Deferred development costs	15,724	9,220
Mine properties	246	680
Total amortisation	<u>15,970</u>	<u>9,900</u>
<i>Other</i>		
Share based payment expense	1,217	1,711
Net loss on disposal of plant and equipment	11	58
	<u>1,228</u>	<u>1,769</u>
<i>Impairment losses on mine assets</i>		
Property, plant and equipment	8,346	-
Construction in progress	717	-
Leased plant and equipment	621	-
Mine development	10,355	-
Mine properties	5,070	-
	<u>25,109</u>	<u>-</u>

The consolidated entity undertook a review of the recoverable amount of each of its mining assets to determine if any assets were impaired. Following this assessment a pre tax impairment charge has been recognised at Savannah \$12,799,000 and Copernicus \$12,310,000. The impairment has been allocated to the asset classes shown above.

6 Income tax expense

	Half-year ended	
	Consolidated	
	31 December	31 December
	2008	2007
	\$'000	\$'000
(a) Income tax expense		
Current tax	(626)	(10,147)
Deferred tax	5,305	260
Adjustments for current tax of prior periods	(493)	488
	<u>4,186</u>	<u>(9,399)</u>

7 Current assets - Cash and cash equivalents

	31 December	30 June
	2008	2008
	\$'000	\$'000
Cash at bank and in hand	16,181	30,494
Deposits at call	33,444	80,434
	<u>49,625</u>	<u>110,928</u>

8 Derivative financial instruments

	31 December	30 June
	2008	2008
	\$'000	\$'000
Current assets		
Foreign exchange put options	1,009	8,445
Forward foreign exchange contracts	-	12,113
Commodity put options	3,606	2,372
Forward commodity contracts	43,426	5,860
Total current derivative financial instrument assets	<u>48,041</u>	<u>28,790</u>
Non-current assets		
Forward commodity contracts	28,233	12,506
Total non-current derivative financial instrument assets	<u>28,233</u>	<u>12,506</u>
Current liabilities		
Forward foreign currency contracts	2,367	-
Commodity call options	224	-
Total current derivative financial instrument liabilities	<u>2,591</u>	<u>-</u>
	<u>73,683</u>	<u>41,296</u>

8 Derivative financial instruments (continued)

(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 exchange in accordance with the Group's financial risk management policies.

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 exchange rates are determined by reference to published / observable prices.

(i) Commodity hedges - cash flow hedges

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

The Group has entered into contracts for nickel forwards and zero cost nickel option collars at the reporting date designated as hedges of anticipated future receipts from sales to occur over the next two years that will be denominated in United States currency.

The nickel forward hedges qualify for hedge accounting in accordance with AASB 139 Financial Instruments as the future sales are highly probable and have been specifically designated. The zero cost nickel option collars do not qualify for hedge accounting as there are more sold nickel call options than purchased nickel put options.

Consolidated	Tonnes Hedged	Average US\$ Price	Tonnes Hedged	Average US\$ Price
	31 December 2008	31 December 2008		30 June 2008
Nickel Sell Call Options				
Not later than one year	1,040	18,000	-	-
Nickel Buy Put Options				
Not later than one year	694	15,000	600	-
Nickel Fixed Forward				
Not later than one year	2,550	25,095	2,850	24,135
Later than one year	1,200	26,578	2,400	26,779

8 Derivative financial instruments (continued)

(ii) Foreign exchange contracts - cash flow hedges

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

The Group has entered into foreign exchange contracts for forwards and put options at the reporting date these are generally designated as hedges of anticipated future receipts from sales to occur over the next two years that will be denominated in United States currency.

These hedges qualify for hedge accounting in accordance with AASB 139 Financial Instruments as the future sales are highly probable and have been specifically designated.

Consolidated	US\$ Hedged	Average Rate	US\$ Hedged	Average Rate
	31 December 2008 \$'000	31 December 2008 \$	30 June 2008 \$'000	30 June 2008 \$
Foreign Exchange Puts				
Not later than one year	160,000	0.88	141,000	0.90
Fixed Forward Foreign Exchange				
Not later than one year	22,343	0.76	51,480	0.76

9 Contributed equity

	31 December 2008 Shares	30 June 2008 Shares	31 December 2008 \$'000	30 June 2008 \$'000
(a) Share capital				
Ordinary shares				
Fully paid	191,950,342	191,858,342	78,885	78,424
Total contributed equity - parent entity			78,885	78,424

(b) Movements in ordinary share capital:

Date	Details	Number of shares	\$'000
1 July 2007	Opening balance	187,772,587	72,476
	Exercise of unlisted options	1,718,250	1,030
31 December 2007	Balance	189,490,837	73,506
1 July 2008	Opening balance	191,858,342	78,424
	Exercise of unlisted options	92,000	77
	Deferred tax credit recognised directly in equity	-	384
31 December 2008	Balance	191,950,342	78,885

10 Dividends

	Half-year ended	
	Parent	
	31 December	31 December
	2008	2007
	\$'000	\$'000
(a) Ordinary shares		
Final dividend for the year ended 30 June 2008 of 5 cents (2007 - 12 cents) per fully paid share paid on 17 September 2008 (2007 - 15 October 2007)		
Fully franked based on tax paid @ 30%	9,594	22,729
	9,594	22,729
(b) Dividends not recognised at the end of the half-year		
Interim dividend for the half-year ended 31 December 2008 of 1 cent (2007 - 7 cents) per fully paid share paid on 9 March 2009 (2007 - 10 March 2008)		
Fully franked based on tax paid @ 30%	1,920	13,345
	1,920	13,345

11 Contingencies

There were no changes in contingent assets or liabilities since the last annual financial report.

12 Events occurring after the balance sheet date

On 25 February 2009, the Company's Board resolved to declare a one cent per share fully franked interim dividend to be paid out of retained earnings at 31 December 2008. The dividend payment date is set down for 20 March 2009.