Annual Report 09

PANORAMIC
RESOURCES LTD

Vision, Commitment, Results

Panoramic is an established Western Australian nickel sulphide producer operating two mines. The Company has two underground mines; the Savannah Project (100%) in The Kimberley and the Lanfranchi Project (100%) south of Kambalda, along with the Copernicus Project (60%) which is a satellite operation near Savannah, currently under care and maintenance.

Mission Statement

We strive to achieve excellence in all aspects of our business. We aim to provide long term capital growth and dividend return to our shareholders, a safe and rewarding work environment for our employees and opportunities and benefits to the people in the communities in which we operate.

Contents

The 10 Year Plan

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 our existing resource and reserve base to extend the mine life of both operations

Acquire additional assets to become a diversified mining house

Maintain a steady dividend stream and ultimately become an ASX/S&P Top 100 Company

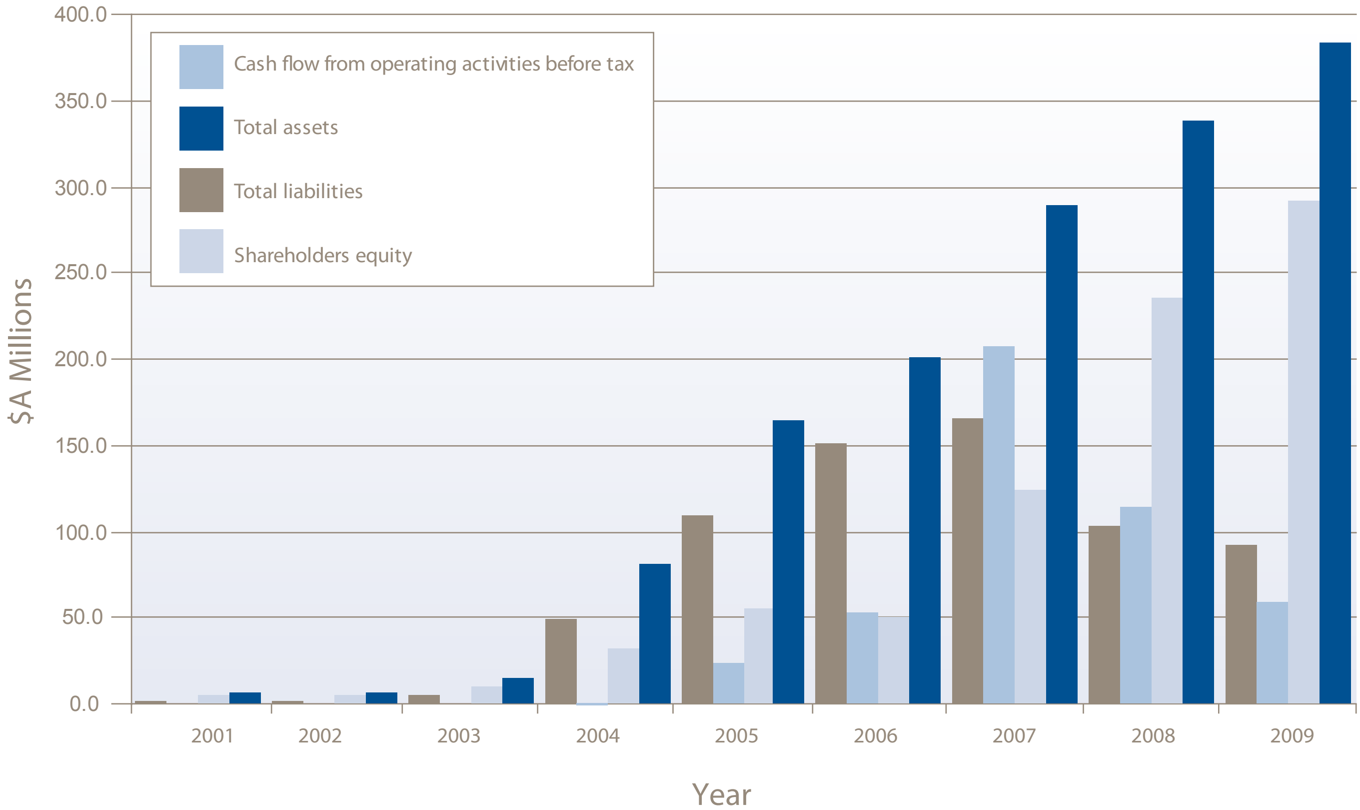
- *Significant improvements in safety outcomes*
- *Record nickel production of 18,752 tonnes (100% basis)*
- *Secured 100% ownership of the Lanfranchi Project*
- *Gross profit of $31.7 million (before tax & impairment)*
- *Net profit after tax and impairment of $5.6 million*
- *Cash flow of $54.8 million from operations before tax*
- *Net assets of $286.3 million; a 24% year-on-year increase*
- *Total dividend payout of 3 cents per share (fully franked)*
- *Hedge book $43.7 million in the money*
- *Strong cash position & receivables of $95.9 million*

09 *Highlights*

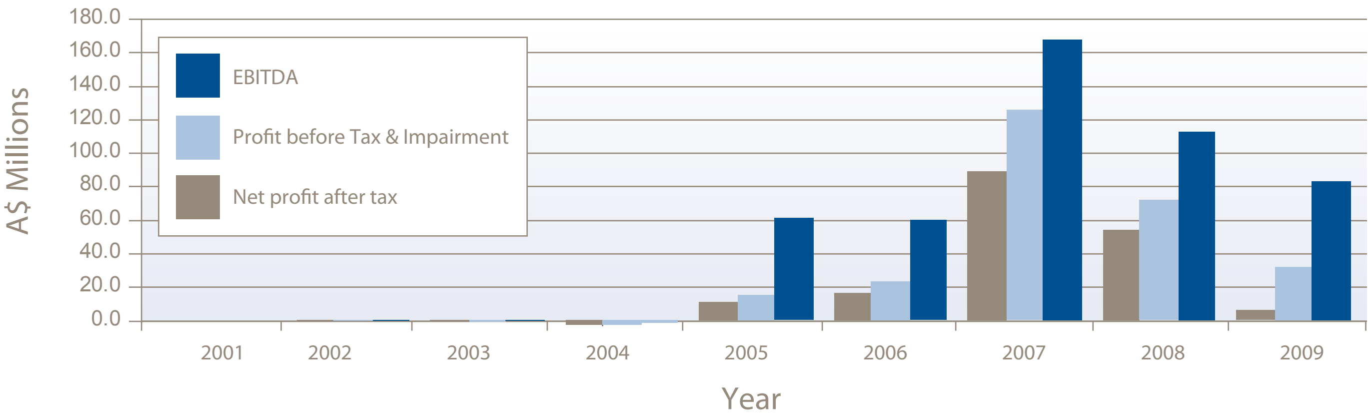
PANORAMIC RESOURCES LTD | *Vision, Commitment, Results*

Financial Highlights

Panoramic Resources Limited Financial Results



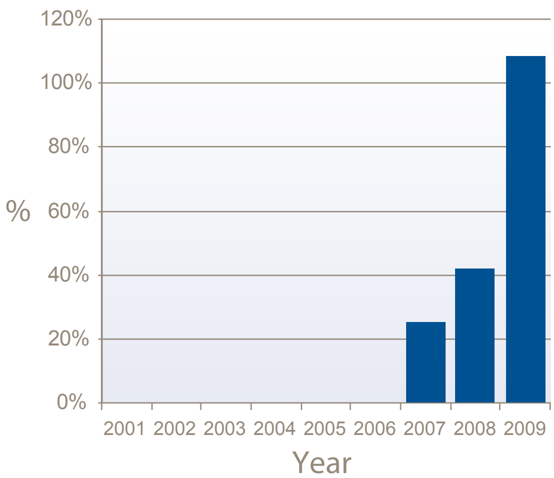
Panoramic Resources Limited Financial Results



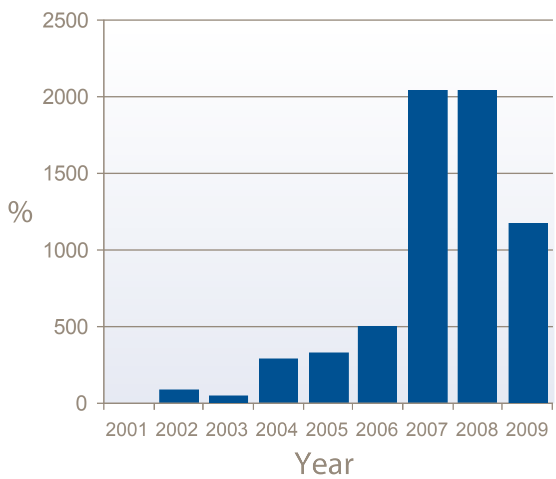
- Revenue of $228.7 million
- Strong cash and receivables of $95.9 million
- Net profit after tax and impairment of $5.6 million
- Total dividend payout of 3 cents per share (fully franked)
- Hedge Book $43.7 million "in the money" at 30 June 09
- Net assets of $286.3 million

Financial Years	2003	2004	2005	2006	2007	2008	2009
Total Net Revenue (A$M)	0.4	0.7	83.8	134.1	302.2	238.4	228.7
D&A (A$M)			39.7	36.5	41.9	40.4	49.5
EBITDA (A$M)	-0.9	-2.0	60.2	59.6	166.5	111.8	82.2
Profit before Tax & impairment (A$M)	-1.3	-3.1	14.8	23.1	124.6	71.4	31.7
Profit after Tax & before impairment (A$M)	-1.3	-2.7	10.3	15.9	88.1	53.3	24.0
Net profit after tax (A$M)	-1.3	-2.7	10.3	15.9	88.1	53.3	5.6
Royalties expense (A$M)			-3.2	-6.5	-15.0	-11.4	-9.3
Income taxes paid (A$M)						-21.5	-24.9
Cash flow from operating activities before tax (A$M)	-1.0	-1.6	21.9	51.3	203.3	111.3	54.8
Total assets (A$M)	13.6	79.1	161.2	196.9	283.6	332.1	380.3
Total liabilities (A$M)	4.1	47.8	107.0	148.0	161.8	100.4	94.0
Shareholders equity (A$M)	9.5	31.3	54.2	48.9	121.8	231.7	286.3
Return on total equity at year end (%)	-14%	-9%	19%	33%	72%	23%	2%
Earnings per share (cents)	-1.9	-2.2	6.5	9.6	47.6	28.4	2.9
Dividend declared per share (cents)					12	12	3
Dividend pay-out ratio (%)					25%	42%	109%

Dividend pay-out ratio (%)

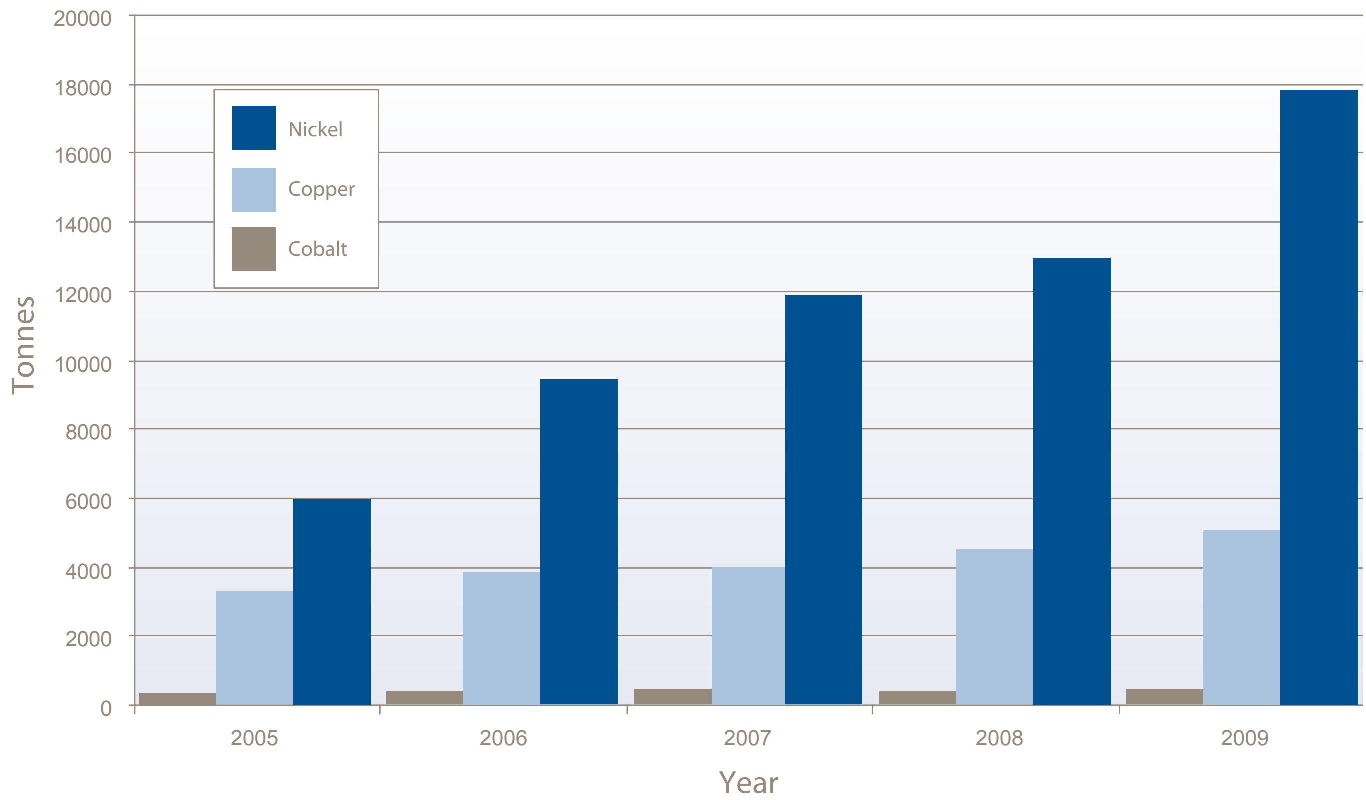


Cumulative return since IPO (%)

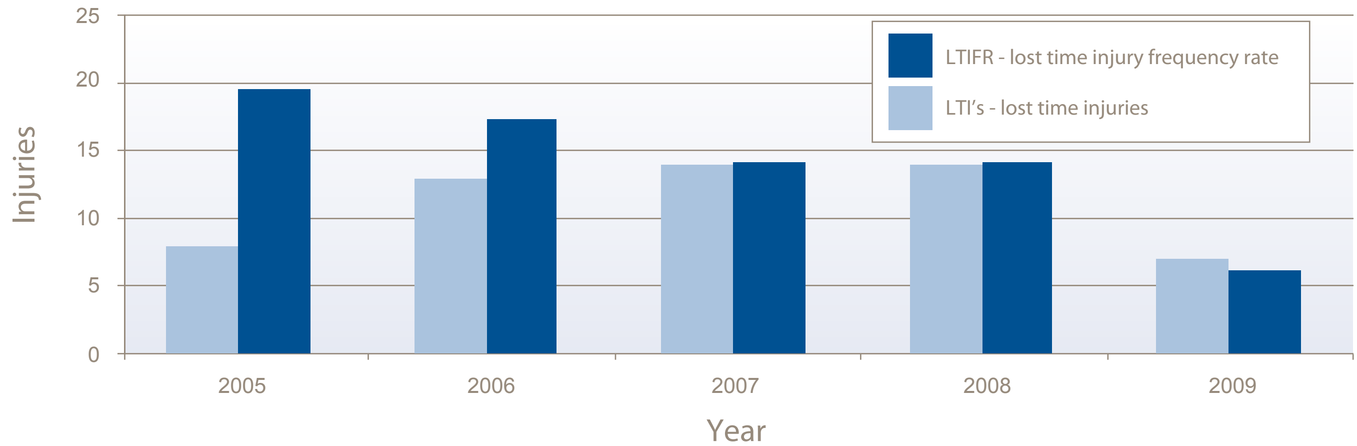


Production & Safety Highlights

Panoramic Resources Limited Metal Production (Equity Basis)



Panoramic Resources Limited Safety Record

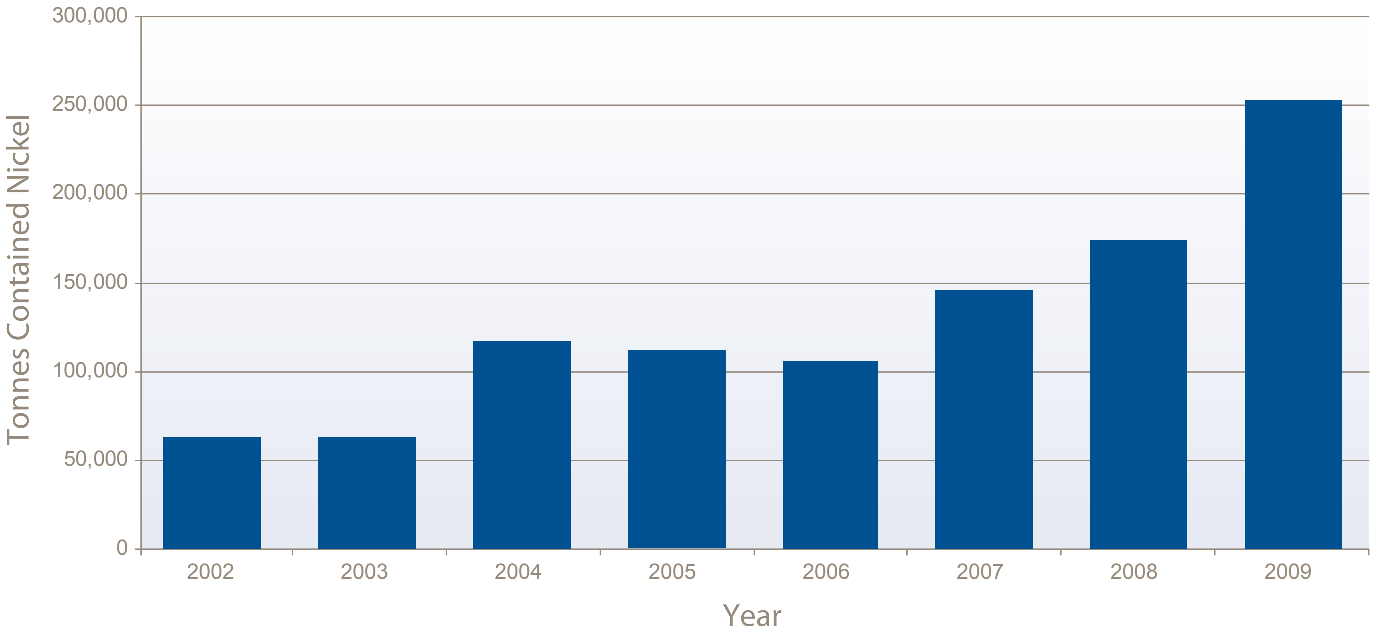


- Record group metal production (equity basis) of 17,928 tonnes contained nickel, 5,084 tonnes contained copper and 424 tonnes contained cobalt
- Lanfranchi production increased 46% to 10,690 tonnes contained nickel
- Group nickel production increased 26% for the year
- The LTIFR has decreased from 19.7 in 2005 to 6.2 in 2009
- No LTI's recorded for the June 2009 Quarter

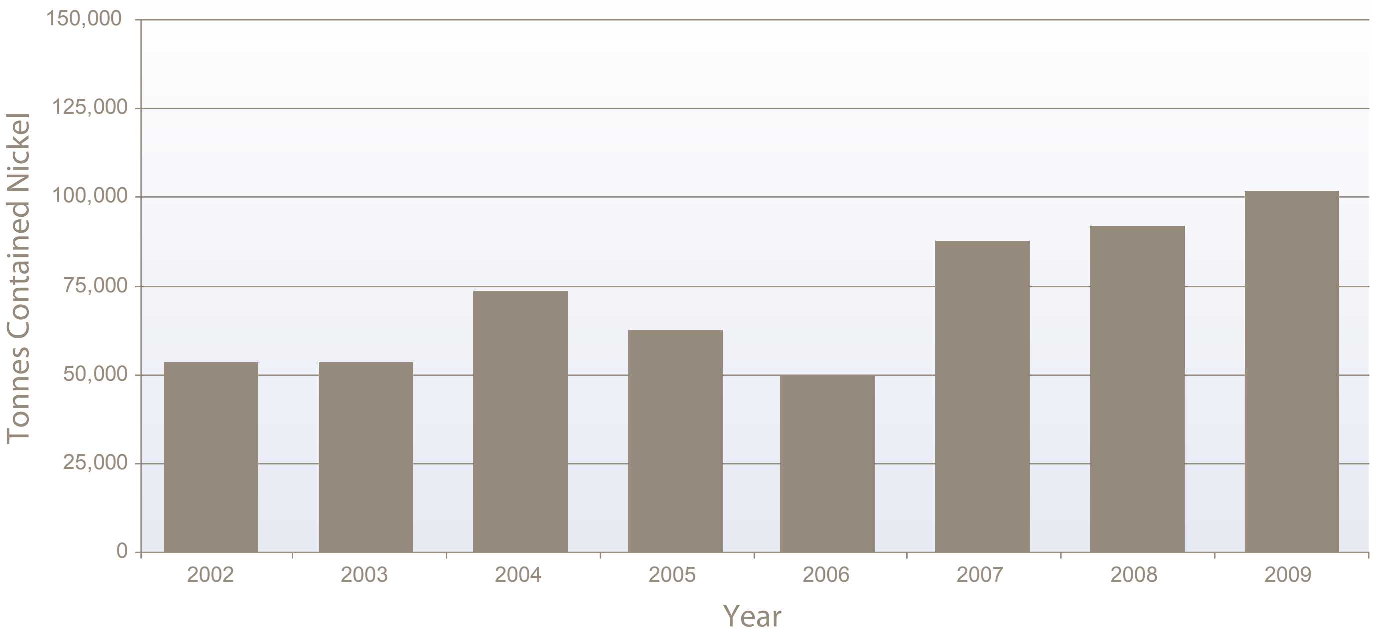
Area	Details	Units	2008/09	2007/08
			Full Year	Full Year
Savannah Project				
Mining	Ore mined	dmt	684,237	689,324
	Ni grade	%	1.35	1.26
	Cu grade	%	0.65	0.62
	Co grade	%	0.07	0.07
Milling	Ore milled	dmt	679,178	688,486
	Ni grade	%	1.35	1.26
	Cu grade	%	0.65	0.62
	Co grade	%	0.07	0.07
	Ni Recovery	%	87.8	87.3
	Cu Recovery	%	96.5	96.1
	Co Recovery	%	90.4	89.2
Concentrate Production	Concentrate	dmt	106,341	96,082
	Ni grade	%	7.58	7.89
	Ni metal contained	dmt	8,062	7,579
	Cu grade	%	3.99	4.24
	Cu metal contained	dmt	4,246	4,072
	Co grade	%	0.40	0.43
	Co metal contained	dmt	424	409
Concentrate Shipments	Concentrate	dmt	103,228	97,657
	Ni grade	%	7.65	7.87
	Ni metal contained	dmt	7,896	7,681
	Cu grade	%	3.93	4.24
	Cu metal contained	dmt	4,057	4,141
	Co grade	%	0.40	0.42
	Co metal contained	dmt	411	412
Lanfranchi Project				
Mining	Ore mined	dmt	405,770	286,116
	Ni grade	%	2.63	2.55
	Ni metal contained	dmt	10,690	7,304
	Cu grade	%	0.21	0.20
Ore Delivered	Ore delivered	dmt	391,033	281,251
	Ni grade	%	2.63	2.55
	Ni metal contained	dmt	10,274	7,178
	Cu grade	%	0.21	0.22

Resource & Reserve Highlights

Panoramic Resources Limited Resources



Panoramic Resources Limited Reserves



- Group Resources now exceed 250,000 tonnes contained nickel
- Group Reserves now exceed 100,000 tonnes contained nickel
- Savannah Project Lower Zone Resource increased to 3.40Mt at 1.48% nickel for 50,120 tonnes contained nickel
- Total Savannah Resource now stands at 92,800 tonnes contained nickel
- Deacon Ore Reserve increased by 26% to 61,700 tonnes contained nickel

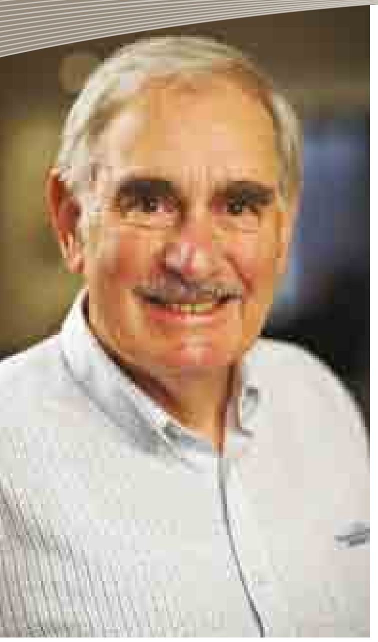
Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal Tonnes
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah Project												
Savannah	100%	Nickel	Jul-09	1,364,000	1.71	4,619,000	1.50	66,000	0.65	6,049,000	1.53	92,800
		Copper			0.83		0.81		0.25		0.81	48,800
		Cobalt			0.09		0.08		0.04		0.08	4,800
Copernicus Project												
Copernicus	60%	Nickel	Jul-09	233,000	1.08	240,000	1.38	14,000	1.01	487,000	1.23	6,000
		Copper			0.66		0.99		0.70		0.82	4,000
		Cobalt			0.04		0.05		0.03		0.04	200
Lanfranchi Project	100%	Nickel										
Cruikshank			Jul-09	-	-	-	-	2,165,000	1.23	2,165,000	1.23	26,600
Deacon			Jul-09	-	-	2,285,000	2.95	16,000	2.75	2,301,000	2.95	67,900
Gigantus			Jul-09	-	-	-	-	999,000	1.34	999,000	1.34	13,400
Helmut South			Jul-09	165,000	2.83	-	-	-	-	165,000	2.83	4,700
John			Jul-09	-	-	-	-	606,000	1.08	606,000	1.08	6,500
Lanfranchi			Jul-09	6,000	4.20	67,000	5.80	11,000	5.24	83,000	5.61	4,700
Martin			Jul-09	-	-	44,000	3.88	6,000	3.50	50,000	3.83	1,900
McComish			Jul-09	-	-	-	-	1,012,000	1.47	1,012,000	1.47	14,900
Schmitz			Jul-09	-	-	75,000	4.55	11,000	3.58	86,000	4.43	3,800
Winner			Jul-09	-	-	29,000	5.28	-	-	29,000	5.28	1,600
Remnants			Jul-09	-	-	253,000	2.69	203,000	2.03	456,000	2.40	10,900

Total Nickel - 255,700 tonnes **Total Copper - 52,800 tonnes** **Total Cobalt - 5,000 tonnes**

Reserve	Equity	Metal	Date of Reserve	Proven		Probable		Total		Metal Tonnes
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah Project										
Savannah	100%	Nickel	Jul-09	-	-	2,161,000	1.26	2,161,000	1.26	27,200
		Copper			-		0.00		0.61	13,200
		Cobalt			-		0.06		0.06	1,400
Copernicus Project										
Copernicus	60%	Nickel	Jul-09	-	-	219,000	1.03	219,000	1.03	2,300
		Copper			-		0.63		0.63	1,400
		Cobalt			-		0.04		0.04	100
Lanfranchi Project	100%	Nickel								
Deacon			Jul-09	-	-	2,443,000	2.52	2,443,000	2.52	61,700
Helmut South			Jul-09	153,000	2.15	-	-	153,000	2.15	3,300
Lanfranchi			Jul-09	-	-	119,000	2.91	119,000	2.91	3,500
Schmitz			Jul-09	-	-	87,000	2.66	87,000	2.66	2,300
Winner			Jul-09	-	-	17,000	3.95	17,000	3.95	700

Total Nickel - 101,000 tonnes **Total Copper - 14,600 tonnes** **Total Cobalt - 1,500 tonnes**

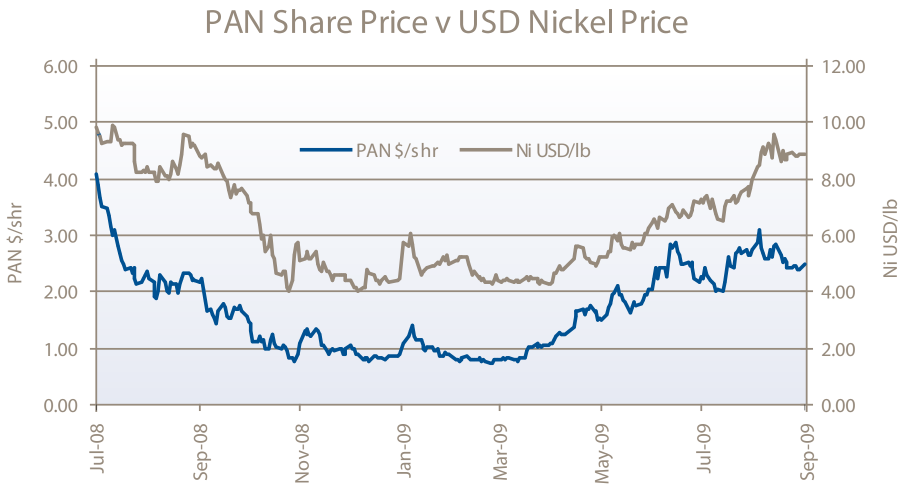
Notes:
- *Savannah Project Resource cutoff grades at 0.50% Ni*
- *Lanfranchi Project Resource cutoff grades at 1.00% Ni*
- *All Resources are inclusive of Reserves*
- *Savannah Reserve cutoff grade is 0.70% Ni*
- *Copernicus Reserve cutoff grade is 0.50% Ni*
- *Lanfranchi Project cutoff grade is 1.00% Ni except the Deacon Longhole stopes which are 0.80% Ni*
- *All values in tonnes have been rounded*



Chairman's Report

Dear Shareholders,

What a tumultuous year it was. We started the year with nickel prices at US$9.83/lb and our share price at $4.04. However, the *global financial crisis* spoiled the outlook and by year end the nickel price was down to US$7.26/lb and our share price $2.27. In the intervening 12 months the price of nickel had been as low as US$4/lb and our share price as low as 70 cents.



In October 2008 the board and senior management took stock of the global situation and decided on a program of cost cutting and production optimisation, which we implemented in early January this year in order to put the Company in a competitive position and strengthen its ability to survive and prosper during difficult times. A critical review was made of our mining operations, exploration activities and Perth Office function. Every employee, including directors, was asked to take a 10% pay cut and private health cover and extra superannuation benefits we had implemented to attract and retain employees was discontinued. We made a relatively small number of redundancies at both sites and embarked on an aggressive input cost cutting program. In addition, we implemented some structural changes to our Savannah processing operations and fleet maintenance which reduced costs significantly. Suppliers also came to the party and all this has improved the Company's ability to manage the downturn in metal prices by moving into a lower cost sector of our industry. We are now producing nickel on a group basis at a payable cash cost sub US$4/lb.

The low nickel price has forced a large number of nickel producers globally to reduce or cease production, and we believe in excess of 300,000tpa nickel supply was removed from the global market in 2009. Since March 2009, the nickel price has risen strongly despite a large LME stock overhang, perhaps due to the strike at Vale's Sudbury operations. There is no evidence yet to suggest that the higher prices of recent months have encouraged increases in production, although we understand that nickel pig iron production in China has resumed. This process is both polluting and a significant emitter of greenhouse gases. Once the Vale strike is settled, we, like a number of industry commentators, expect the nickel price to range trade between US$8 and US$10/lb. We believe this price range will encourage end users to return to nickel bearing stainless steels, but not encourage further production increases from high cost laterite projects. At these nickel prices our operations should remain profitable and robust well into the future.

We believe that the Company is well served by maintaining a strong exploration focus, particularly in the areas where we operate. Our exploration focus is to find additional resources and our success to date has already led to a significant increase in resources and reserves. This enables us to make long term, secure sales agreements with our offtake partners. We will continue to explore for nickel sulphides as well as seeking other metals, with the aim to establish further mines producing intermediate metal products and to enhance our existing operations.

We have also sought to acquire new operations and have made a number of investigations into possible targets. We do not intend to pay over the odds for additional projects and have stepped back when the asking price has been too high. We were pleased to enter into the arrangement with Brilliant Mining to acquire their 25% share of the Lanfranchi Operation. It has been a good deal for both parties as the management of the operation is now simplified, and Brilliant shareholders are able to share in the success of the Company by remaining shareholders in Panoramic.

As I said at the outset, it has been a tumultuous and difficult year. We were pleased to have reported a net profit of $5.6 million at a time when many of our peers reported significant losses. As ever, our management under the leadership of Peter Harold has been able to meet the challenges as they arose and we will be looking to them to maintain the momentum into the coming year with the same enthusiasm as they have over the past twelve months. Thank you Peter and the team for a great job, well done.

Christopher J G de Guingand
Chairman
30 September 2009

Managing Director's Report

Dear Shareholders,

I am pleased to report that our business has managed to survive and prosper during an unprecedented period of global market turmoil.

Key milestones achieved during the year were as follows:

- significantly improved safety performance across both sites;
- record total group production of 18,752 tonnes nickel contained (26% increase on last year);
- 25% balance of the Lanfranchi Project acquired from our joint venture partners, Brilliant Mining Corp.;
- group resources increase to over 250,000 tonnes of nickel and reserves increase to over 100,000 tonnes of nickel;
- significant increase in our exploration portfolio with the addition of the East Kimberley and Bluebush joint ventures;
- strong total net revenue of $228.7 million despite lower nickel prices;
- net cash flow from operations before tax of $54.8 million and net profit before tax and impairment of $31.7 million;
- 3 cents per share in fully franked dividends paid out during the year, representing a 109% pay-out ratio.

The efforts of our team in achieving production targets while aggressively reducing costs together with a good hedge book have been the main contributors to the Company remaining profitable. We reported a very satisfactory net profit after tax of $24.0 million (compared to $53.3 million last year), however conservative asset write-downs after tax of $18.4 million brought the profit down to $5.6 million after impairments.

Cash flow from operating activities before tax was solid at $54.8 million and net assets increased 24% to $286.3 million. As a result, the Company has maintained its strong balance sheet with cash and current receivables of $95.9 million as at 30 June 2009, no bank debt and only $5.2 million in equipment finance leases.

Safety remains the No. 1 value in our business and I am very pleased to report a reduction in the Lost Time Injury Frequency Rate from 11.6 to 6.2 over the year and that there were no Lost Time Injuries reported during the June quarter. We will continue to focus on safety in all facets of our business going forward in accordance with our safety mantra:

- **Vision** safety is a value not just a priority
- **Commitment** safety improvement through leadership
- **Results** safely home every day

On the production front, both operations performed extremely well. At Savannah we had a record year producing 8,062 tonnes of contained nickel while at Lanfranchi we produced 10,690 tonnes of contained nickel. In addition, Lanfranchi achieved two significant milestones during the year: over 1 million tonnes of ore delivered to the concentrator containing over 25,000 tonnes of nickel. The acquisition of the balance of the Lanfranchi Project will simplify management of the operations and provide our shareholders with 100% exposure to the forecast strong nickel production and significant exploration upside.

Unfortunately we had to place the Copernicus open pit on care and maintenance and write-down the investment due to the low nickel prices, however we are confident that prices will recover and that the project can be restarted.

The Company has embraced sustainability and for the first time last year we produced a separate Sustainability Report. Work continued on this initiative during the year and I refer you to the sustainability section of this report for more information on the progress made during the year.

We have expanded our exploration portfolio and this year plan to spend at least $8 million with activities focused on adding to the significant resource and reserve base by:

- Continuing to explore the Savannah depth extensions and the contact of the Savannah Intrusion;
- Indentifying and prioritising drill targets on the extensive East Kimberley JV tenement package;
- Drilling down plunge Deacon, Helmut South, Schmitz, and Lanfranchi;
- Continuing to explore the Northern Dome structure at Lanfranchi for massive sulphides; and
- Drilling targets on the Cowan, Norrland JV and Bluebush JV projects.

While the Company is well placed to grow organically, with two operating assets generating significant cashflow and increasing resources, we are also keen to acquire additional assets that are value-accretive to our existing business. The Company is primarily seeking assets in Australia in the following commodities:

Tier 1:	Nickel, Copper, Gold and PGMs
Tier 2:	Zinc, Lead and Bulk Commodities
Tier 3:	Energy and selected Industrial Minerals

Acquisitions of this nature together with continued strong production from our existing mines and exploration success will assist us in achieving our 10 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 our existing resource and reserve base to extend the mine life of our existing operations
- Acquire additional assets to become a diversified mining house
- Maintain a steady dividend stream and ultimately become an ASX/S&P Top 100 Company

The Board remains cautious on the short term outlook for nickel and is therefore being opportunistic and looking to hedge additional nickel at prices that provide an acceptable margin. We expect the global recovery to gather momentum in 2010 and strongly believe the longer term outlook for all commodities is very positive with future prices expected to reflect higher capital and operating costs for new projects and strong demand.

We continue to strive to deliver as promised and I am looking forward to another rewarding year ahead. I would like to again thank all shareholders for their support and all employees and contractors for their hard work and dedication. All our employees and directors deserve a special mention this year for accepting salary cuts in order for the business to remain competitive and I personally thank them for their commitment to the Company. I would also like to thank 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 mantra to ensure we get everybody "home safely every day".

Yours faithfully,

Peter J Harold
Managing Director
30 September 2009

Savannah Project

Overview

The Savannah Project is located 240 kilometres south of Kununurra in the East Kimberley region of Western Australia and consists of a nickel sulphide orebody, underground mine, process plant and associated infrastructure.

At 30 June 2009, the Savannah Project Mineral Resource (Upper & Lower Zones) stood at 6.05 million tonnes at 1.53% nickel, 0.81% copper and 0.08% cobalt for 92,800 tonnes contained nickel, 48,800 tonnes contained copper and 4,800 tonnes contained cobalt.

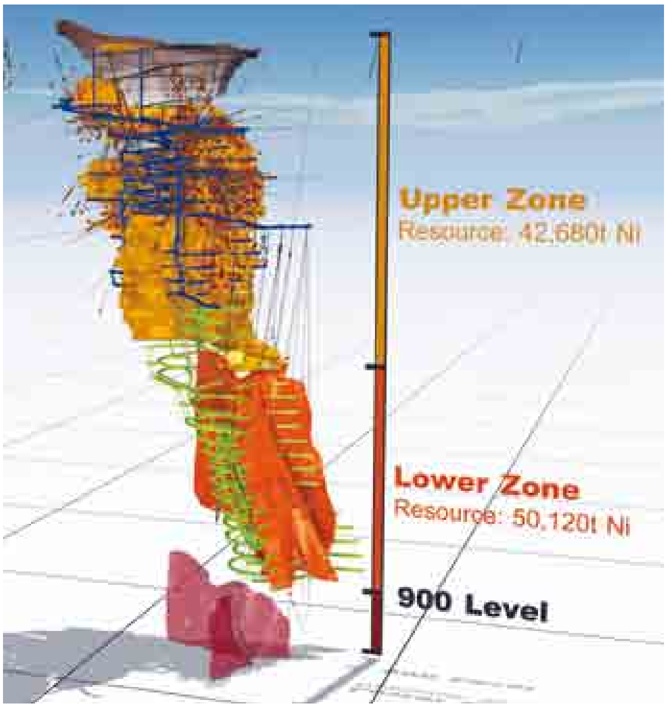
The reported ore Reserve (Upper Zone Only) as at 30 June 2009 was 2.2 million tonnes at 1.26% nickel, 0.61% copper, 0.06% cobalt for 27,200 tonnes contained nickel, 13,200 tonnes contained copper and 1,400 tonnes contained cobalt. Based on the current mine production schedule, the resource inventory, the exploration success to date and favourable economics, Panoramic believes that the Project could support a mine life in excess of ten years from 2009.

Since commissioning in August 2004, the Savannah Project has produced over 3.3 million tonnes at 1.2% nickel for 38,700 tonnes contained nickel.

Savannah Project

Geology

The Savannah sulphide rich nickel, copper and cobalt orebody is hosted by the layered mafic-ultramafic Savannah Intrusion which is enveloped by aluminous metasediments and para-gneisses of the Tickalara Metamorphics. The Savannah Orebody is mostly confined to a marginal norite unit up to 40 metres thick developed about the base of the intrusion. Areas of massive, matrix and disseminated sulphide mineralisation, dominated by pyrrhotite, chalcopyrite, pentlandite and minor pyrite occur throughout the marginal norite unit.



Savannah Upper and Lower Zone Mineral Resource

Prior to the development of the Savannah Open Pit, the marginal norite unit outcropped as a prominent 250 metre long limonite-goethite gossan with fresh sulphide mineralisation developing approximately 20 metres below surface. At approximately 500 metres below the surface, a significant sub-horizontal fault, the 500 Fault, cuts the orebody and offsets it 200 metres to the northwest. Mineralisation above the 500 Fault is referred to as the "Upper Zone" and below the 500 Fault as the "Lower Zone".

Mining

The majority of the ore is currently mined via long-hole open stoping, which is a highly mechanised and low cost method. Access to the top and bottom of the ore block is established with tunnels, a slot raise is created, and holes are then drilled to blast vertical slabs off the ore block. Once the ore block has been blasted and extracted, the stopes are filled with paste (tailings and cement mix) to stabilise the void and allow extraction of adjoining ore blocks. The minimal waste material mined is either stockpiled underground or trucked to surface.

Processing

The process plant at Savannah comprises a single stage crusher, SAG mill, flotation, thickening and filtering stages to produce a bulk nickel, copper, cobalt concentrate. Metallurgically the plant continues to perform extremely well. Nickel recovery averaged 88% for the year and cobalt averaged 90%, both well above design of 78% and 69% respectively. Copper recovery averaged 97% for the year, which is as designed. The plant was originally designed for a throughput of 750,000 tonnes per annum, but has consistently outperformed the design specifications. Process personnel are confident that the mill can operate up to a capacity of 900-950,000 tonnes per annum.

In January 2009, the operations adopted a campaign milling regime (15 days out of 21). This has been implemented very successfully and has delivered reduced costs to the operation.

Production

For the year ended 30 June 2009, the Savannah Project produced a record 8,062 tonnes of nickel contained in concentrate, 4,246 tonnes of copper and 424 tonnes of cobalt.

Product & Logistics

The Savannah concentrate averages 7-8% nickel, 3-4% copper and 0.4-0.8% cobalt. The concentrate is trucked to Wyndham, 240 kilometres to the north of the Project. In Wyndham, the concentrate is stored in bulk in a dedicated enclosed storage facility. Bulk shipments to our customer in China are made on a monthly basis. During 2008, the Company undertook a review of the storage and ship loading operations at Wyndham in response to a state government audit of bulk mineral concentrate port facilities. We are now in the process of finalising the preferred option for future bulk stockpiling and ship loading operations to ensure we have an environmentally acceptable, cost effective and sustainable operation at Wyndham.

Savannah Project

Marketing

The Savannah concentrate is contracted for sale to the Jinchuan Group of China until March 2010 (the original life of the project based on the 2003 Feasibility Study). Jinchuan pays an agreed percentage of the contained nickel, copper and cobalt based on LME pricing, recognising the unique characteristics of our concentrate. Panoramic is currently in negotiations for concentrate offtake beyond March 2010, given that the mine life now extends until at least 2014.

Forecast Production

The Savannah Project is forecasting to mine the Savannah Orebody during 2009/10 at a similar rate to last year.

Resources & Reserves

At 30 June 2009, the Savannah Project Mineral Resource (Upper & Lower Zones) stood at 6.05 million tonnes at 1.53% nickel, 0.81% copper and 0.08% cobalt for 92,800 tonnes contained nickel, 48,800 tonnes contained copper and 4,800 tonnes contained cobalt. The Savannah Reserve (Upper Zone Only) at 30 June 2009 stood at 2.2 million tonnes for 1.26% nickel, 0.61% copper and 0.06% cobalt for 27,200 tonnes contained nickel, 13,200 tonnes contained copper and 1,400 tonnes contained cobalt.

Prior to 2008, the Savannah Mineral Resource was only reported for the Upper Zone mineralisation above the 500 Fault. Drilling to test the Savannah Lower Zone Resource below the 500 Fault commenced in February 2008. By June 2008, the Company had reported a Lower Zone Resource of 20,700 tonnes contained nickel.

In June 2009, the Company reported that the Savannah Lower Zone Resource had increased significantly to 3.4 million tonnes at 1.48% nickel for 50,120 tonnes contained nickel. The new resource represents a 142% increase in contained nickel compared to the 30 June 2008 Lower Zone Resource and incorporates all mineralisation below the 500 Fault down to a depth of approximately 900 metres below surface.

The breakdown of the 2009 Savannah Resource is as follows:

- Savannah Upper Zone Resource - 42,680 tonnes contained nickel
- Savannah Lower Zone Resource - 50,120 tonnes contained nickel

Importantly, the total Savannah Resource now stands at 92,800 tonnes contained nickel which should support production out towards 2020. Mining studies are currently underway to update the Savannah Reserve.

Lanfranchi Project

Overview

The Lanfranchi Operations and associated Tramways Tenements (the Lanfranchi Project) are located 42 kilometres south of Kambalda, Western Australia. Panoramic acquired a 75% interest in the Lanfranchi Project from BHP Billiton Nickel West (formerly WMC Resources) in June 2004 and in May 2009 purchased the remaining 25% from it's joint venture partner in the project, Brilliant Mining Corp.

Significant milestones have been achieved by Lanfranchi in the last twelve months including reaching one million tonnes of ore mined and 25,000 tonnes contained nickel delivered to the Kambalda Concentrator since the project was purchased in 2004.

As at 30 June 2009, the Lanfranchi Project has a proven and probable Reserve of 2.8 million tonnes at 2.53% nickel for 71,500 tonnes contained nickel. Based on the current mine production schedule, the Lanfranchi Project has a mine life of at least seven years. However, based on the significant resource base, the recent exploration success, the prospectivity of the tenements and subject to favourable economics, Panoramic is confident the Lanfranchi Project could be operating for at least the next ten years.

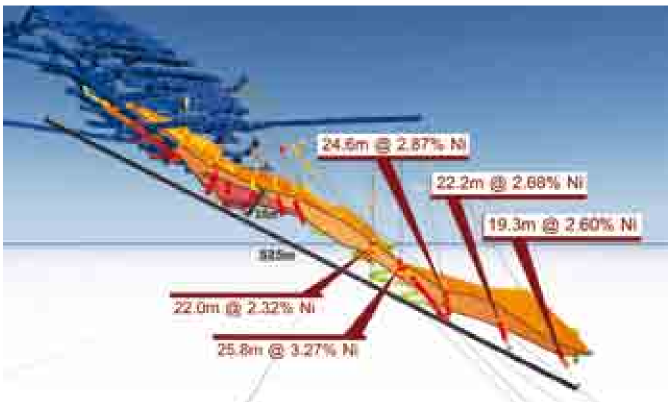
Lanfranchi Project

Geology

High-grade nickel sulphide deposits at Lanfranchi occur as ribbon-like shoots at the base of high magnesium komatiite lava flows or channels. The shoots and high-magnesium lava flows occupy channel structures developed in the underlying Lunnon (footwall) basalt. Above the high-magnesium komatiite flows is a thick sequence of progressively less magnesium-rich komatiite flows. Ten channel structures are recognised at Lanfranchi of which six have been mined historically.

Mining

Mining operations at the Lanfranchi Project during the year were conducted on four separate orebodies; Lanfranchi, Helmut South, Winner and Deacon. Decline development to access the high-grade Helmut South Orebody commenced in May 2005, with first ore delivered to surface in September 2005. The Helmut South Orebody was mined using the underhand cut and fill mining method with paste and has now been virtually mined out.



The Deacon Orebody

The small but high-grade Winner Orebody was developed by the Company in 2006 with first ore being delivered in 2007. Mining of the Winner Orebody was completed in September 2009.

The $15 million Deacon Ventilation Project was completed in February 2009 following the successful commissioning of the $4 million ventilation fan. Over a planning and construction period lasting two years, two 4.5 metre diameter raisebore holes (910 metres in total) and over 1,000 metres of lateral development were completed. The raiseboring, lateral development, and ventilation fan installation were completed within a month of the original target date. The completion of the ventilation system sets up the Lanfranchi Mine for the next ten years and beyond.

Production at Deacon ramped up during 2009 using a combination of longhole open stopes and underhand cut and fill mining methods utilising paste. Based on the new Life of Mine Plan, it is anticipated that the Deacon Decline development will be completed by 2012, which will provide full access to the Deacon Orebody and greater production flexibility.

All mining activities are owner operated, which provides financial benefits in terms of productivity and cost efficiency, and maintains and develops in-house underground mining expertise and capability.

Production

For the year ended 30 June 2009, the Lanfranchi Project produced 405,770 tonnes of ore averaging 2.63% nickel for 10,690 tonnes contained nickel. This represents a 42% increase in annual ore production and a 46% increase in contained nickel production due to the addition of higher grade Winner and Deacon Ore.

Product & Logistics

The Lanfranchi Project produces run of mine ore and delivers it to BHP Billiton Nickel West's Kambalda Concentrator about 40 kilometres to the north of Lanfranchi by road.

Marketing

The ore from the Lanfranchi Project is processed through the Kambalda Nickel Concentrator. BHP Billiton Nickel West has agreed to extend the Ore Tolling and Concentrate Purchase Agreement until February 2019, and has also confirmed that it will increase the amount of ore it purchases from the Lanfranchi Project from 350,000 tonnes to 435,000 tonnes for the 2009/10 year. Nickel West has a first right of refusal to take additional ore above the 350,000 tonne per annum level from the Lanfranchi Project.

Forecast Production

The Lanfranchi Project is forecasting to maintain mine production at approximately 400,000 tonnes of ore in 2009/10. The majority of production will come from the Deacon Orebody, which has ramped up to approximately 30,000 tonnes per month.

Lanfranchi Project

Resources & Reserves

As at 30 June 2009, the Lanfranchi Project Mineral Resource stood at 7.95 million tonnes at 1.97% nickel for 156,900 tonnes contained nickel. The Deacon Orebody represents 43% of this total Resource with 67,900 tonnes contained nickel.

The 30 June 2009 Lanfranchi Reserve stands at 2.8 million tonnes at 2.53% nickel for 71,500 tonnes contained nickel. Of this total, Deacon accounts for 86% of the total Reserve with 61,700 tonnes contained nickel.

Lanfranchi Project Channels

PANORAMIC
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Copernicus

Project

Overview

The Copernicus Project, a nickel sulphide orebody located 50 kilometres south of the Savannah Project, is currently on care and maintenance. Panoramic is the operator of the Copernicus Joint Venture (Panoramic 60%, Thundelarra 40%), and following the completion of a Feasibility Study the joint venture partners agreed to develop the open pit mining operation at Copernicus and supply the ore to the Savannah Mill for toll treating.

The open pit and associated infrastructure are fully developed and are ready to be opened at short notice when the nickel price recovers to a level that will provide both parties with an acceptable return on their investment.

Copernicus Project

Geology

The host unit of the Copernicus nickel sulphide deposit is the layered mafic-ultramafic Copernicus Intrusion. The intrusion, which has an overall gabbroic composition, is enveloped by amphibole rich meta-sediments and para-gneisses of the Tickalara Metamorphics. It outcrops as a lens-shaped body with maximum dimensions of 600 metres along strike by 100 metres thick. It dips moderately to the west and has a pronounced northward plunge of approximately 40 degrees.

Sulphide rich nickel, copper and cobalt mineralisation at Copernicus is confined to a discreet cumulate-textured meta-pyroxenite unit located within the Copernicus Intrusion. The pyroxenite unit is lens-shaped and dips west and plunges north in apparent synchronicity with the Copernicus Intrusion. The sulphide mineralisation is preferentially developed at the northern end of the pyroxenite unit where it forms sulphide-bearing cumulates rich in pyrrhotite-chalcopyrite-pentlandite and pyrite. Sulphide textures vary from net (matrix) textured mineralisation containing 5-10% sulphides to coarse-grained blebs and massive sulphide-rich stringer mineralisation, containing upwards of 50-70% sulphide. The mineralised pyroxenite has a maximum thickness of 35 metres and a down dip extent of between 100-150 metres. The down-plunge (strike) dimension to the north has been drilled over a strike length of 750 metres.

Mining

Mining is by conventional open cut methods, involving drilling, blasting and excavation using contractors. The open pit operations commenced in September 2008 and mined a small amount of ore prior to being placed on care and maintenance in early 2009 due to low nickel prices.

Processing

The ore will be batch treated at the Savannah Mill to produce a combined nickel, copper and cobalt concentrate.

Product & Logistics

The Copernicus concentrate will be stockpiled, trucked and stored in Wyndham separately to the Savannah concentrate. The Copernicus concentrate will be joint shipped with Savannah concentrate to Jinchuan in China.

Marketing

The Copernicus Joint Venture partners have agreed to enter into separate offtake agreements to sell their respective share of Copernicus concentrate produced from the open pit to the Jinchuan Group in China. The Copernicus concentrate will be sold to Jinchuan under the same payment terms and conditions as Panoramic receives for the Savannah concentrate.

Forecast Production

When mining recommences at Copernicus, the 365,000 tonne open pit Reserve will be mined over a twelve month period and batch treated through the mill once sufficient stockpiles are established at Savannah to treat Copernicus ore on a continuous basis for a reasonable period (ie. up to a week).

Resources & Reserves

As at 30 June 2009, the total Copernicus Project Mineral Resource stood at 812,000 tonnes at 1.23% nickel, 0.82% copper and 0.04% cobalt for 10,000 tonnes contained nickel, 6,700 tonnes contained copper and 360 tonnes contained cobalt. The Mineral Resource is largely classified as Measured and Indicated due to the good continuity of the main mineralised zone, the adequate drill hole spacing and the confidence gained from data validation. Small zones of isolated mineralisation have been classified as Inferred due to uncertainties in continuity of grade and extent. Within the confines of the open pit, the Resource is classified as Measured due to the greater density of drilling and forms the basis of the Project Mining Reserve.

The Copernicus Mineral Resource (Measured category) has been converted into a Proven (open pit) Ore Reserve of 365,000 tonnes at 1.03% nickel, 0.63% copper and 0.04% cobalt for 3,800 tonnes contained nickel, 2,300 tonnes contained copper and 150 tonnes contained cobalt.

Exploration

Overview

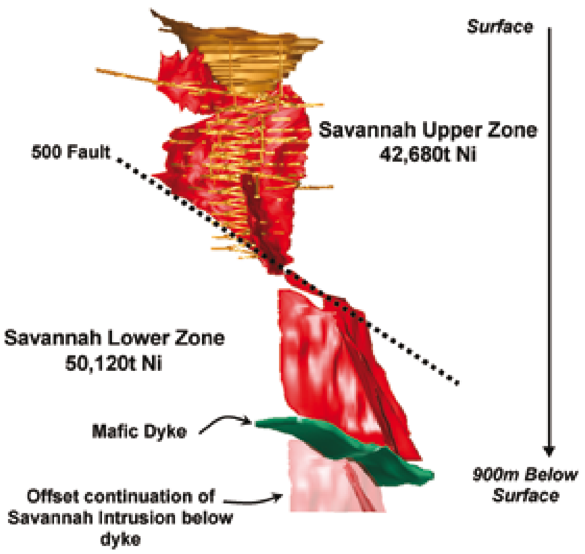
Panoramic has committed to spend at least $8 million on exploration in 2009/10. Approximately 60 percent of the funds are allocated to the Savannah and Lanfranchi Projects with the goal of increasing the resource base through the application of the latest exploration techniques to develop new targets. The remaining funds have been allocated to diversified growth investments through joint ventures with other companies.

Exploration

The Kimberley

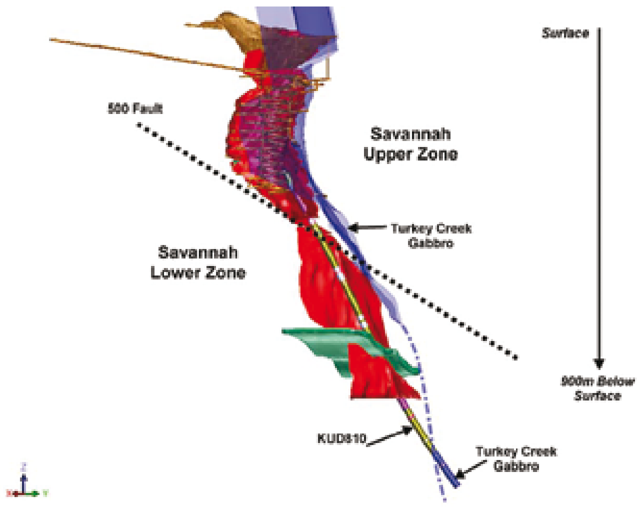
Savannah Project

Since February 2008, exploration at Savannah has been focused on the delineation of the Lower Zone Resource below the 500 Fault. This culminated with the release of the Lower Zone Resource estimate of 50,120 tonnes contained nickel in June 2009. The new Lower Zone Resource incorporates all mineralisation associated with the continuation of the Savannah Intrusion below the 500 Fault down to approximately 900 metres below surface (1450mRL). At 1450mRL a mafic dyke, intruding a sub-horizontal fault (900 Fault) displaces the Savannah Intrusion to the north and east by a distance of 100 to 150 metres.



The Savannah Mineral Resource

Drill hole KUD810 was drilled during May and June 2009 to test for the Savannah Intrusion below the mafic dyke at 1450mRL. The hole passed through the mafic dyke between 560 to 593 metres, before skimming in and out of the Savannah Intrusion and associated "Savannah Style" mineralisation to 910 metres depth. Within this zone, the best mineralised intercepts include 8.65 metres at 1.72% nickel from 620.80 metres, 1.40 metres at 2.50% nickel from 666.76 metres and 2.90 metres at 3.00% nickel from 786.0 metres. At 910 metres the hole entered the Turkey Creek Gabbro and was terminated in this unit at 1,029 metres, approximately 1,270 metres below surface.



Savannah Resource - Lower Zone- Extensional Drilling

A down-hole electromagnetic survey (DHTEM) performed on KUD810 produced a strong continuous EM anomaly from 530 metres to the end of survey depth at 875 metres, confirming the presence of "Savannah Style" mineralisation in close proximity to the hole.

The DHTEM data from hole KUD810 provides convincing evidence that the Savannah Intrusion and its associated mineralisation continues for at least 300 vertical metres below the current base of the Lower Zone Resource at 1450mRL.

Panoramic will continue to explore this area of the Savannah Intrusion as drill access permits. In 2009/10, three additional drill holes have been planned to follow-up on the success of KUD810.

East Kimberley Tenements Joint Venture with Thundelarra

In June 2009, Panoramic entered into an Exploration Farm-in Agreement with Thundelarra Exploration Limited ("Thundelarra") to earn up to 61% in Thundelarra's East Kimberley tenements. The Thundelarra tenements will greatly expand Panoramic's land holding around the Savannah Nickel Mine and the Copernicus Joint Venture Project (Panoramic 60% / Thundelarra 40%).

The East Kimberley tenements lie within the Halls Creek Mobile Belt which is highly prospective for nickel, copper, cobalt and PGM mineralisation.

Through the East Kimberley Joint Venture, Panoramic gains access to Thundelarra's large, and in some cases under-explored

Exploration

East Kimberley JV with Thundelarra

ground package in the vicinity of our Savannah operations, while Thundelarra benefits from Panoramic's commitment to spend significant exploration funds targeting new nickel sulphide discoveries, while still retaining a major interest in the project tenements. The strategic position of Panoramic's 1 million tonne per annum processing plant and associated infrastructure will allow for the rapid exploitation of any new discovery which will benefit both parties.

Panoramic has committed to spend $750,000 in the first twelve months and a total of $3 million within four years to earn 61% of the project. Any new tenements acquired by either party within 10 kilometres of any East Kimberley Agreement tenements (Area of Influence) will be included in the project tenements.

Panoramic will commence exploration work on the project tenements in the 2009 field season.

Kambalda

Lanfranchi Project – Underground Exploration

For the past few years Panoramic has focused underground exploration at the Lanfranchi Project on extensions to ore shoots within the three main channel systems:

- Helmut (which contains the Deacon Orebody);
- Schmitz/Skinner/Winner; and
- Lanfranchi.

Drilling is typically conducted from dedicated drill platforms which are developed approximately 100 to 150 metres out into the hanging-wall above the channel positions. The three main channel systems at Lanfranchi and their existing resources have now been tested as far as possible from the existing hanging-wall drill platforms. New drill platforms will be developed in the coming years as deeper mine access permits.

The channels have varying metal endowments, but based on the historical production, tend to contain between 6,000 and 15,000 tonnes contained nickel per 100 metres vertical. Assuming the three main channel systems continue down-plunge, it is estimated that if their extensions are drilled for 300 metres vertical below the current resources, approximately 80,000 tonnes of contained nickel could potentially be identified.

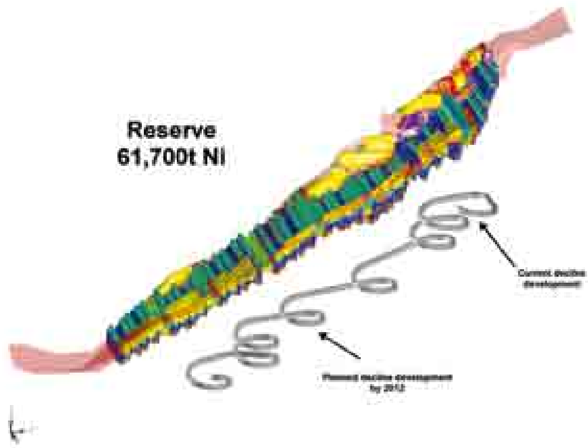
In 2009/10, underground exploration will focus on the Helmut channel with testing of the under-explored region between the Deacon and Helmut Orebodies, and extensional drilling in the immediate vicinity of Deacon. Drilling is also scheduled to test the area immediately to the west of the existing Lanfranchi Resource which remains open.

Deacon Orebody

In September 2008, drilling commenced to test the down plunge extensions to Deacon and to convert the inferred portion of the resource into a reserve. The work culminated in the release of a revised Mineral Resource of 2.46 million tonnes grading 2.92% nickel for 71,800 tonnes contained nickel in January 2009. This was subsequently converted into a Mining Reserve of 2.5 million tonnes grading 2.52% nickel for 63,100 tonnes contained nickel in May 2009.

Exploration

The Deacon Orebody will underpin future production at the Lanfranchi Project which, with favorable economics, should extend the life of the Project beyond 2016. Based on the new Lanfranchi Life of Mine plan, it is anticipated that the Deacon decline development will be completed by 2012. This will provide full access to the Deacon Orebody and facilitate greater production flexibility. The deeper decline development will also allow development of a new hanging-wall drill drive, from which further down plunge drill testing of the highly prospective and metal endowed Helmut-Deacon channel system can continue.



Deacon Resource Model and the Stoping and Decline Development Plan

Winner Orebody

Winner is located approximately two kilometres northwest of the Lanfranchi portal and up-dip of Schmitz. The Orebody is located 155 metres below surface and 170 metres above the existing Schmitz development. It has an elongated cigar shape with a flat dip of 30-40 degrees, typically 10-20 metres thick and 30-60 metres wide. The mineralisation is predominantly high grade massive sulphides on the basalt, ultramafic contact with minor disseminated sulphides hosted in the ultramafic.

Access to the small high grade Winner Orebody via a new portal and decline commenced in September 2006, with first ore delivered in October 2007. Mining was completed in August 2009. The Orebody was mined using the overhand cut and fill method with paste fill.

Lanfranchi Project – Surface Exploration

In the period from April to December 2008, Panoramic undertook a major surface exploration drilling program at Lanfranchi, comprising 80 drill holes for a total of 32,297 drill metres. The principal objectives of the program were the comprehensive testing of the prospective basal contact of the Kambalda Komatiite in areas where historical drilling was sparse, and to follow up known nickel and geophysical anomalies. The program, which was two thirds complete before being suspended due to the *global financial crisis*, tested areas on the southern and eastern flank of the Tramways Dome with the remainder on the northern margin of the Dome. This program will re-commence in 2009/10.

Northern Tramways Dome

In combination with earlier Panoramic drill holes, the latest drilling validates the overturned fold model for the northern Tramways area and has identified two overturned channel facies zones. The overturned channel zones are believed to be the continuation of the Helmut and the Schmitz/Skinner/Winner channels located on the southern flank of the Tramways Dome. Drill hole TD8042 located in the western most overturned channel returned the best intersection for the northern Tramways area of 1.2 metres of massive sulphide mineralisation grading 7.0% nickel.

Ham-Edwin Channel – South Tramways

A traverse of drill holes down plunge from Ham and Edwin returned several highly anomalous intersections and associated DHEM anomalies. Drill hole TD8069 returned 1 metre grading 6.35% nickel on the basal contact and is supported by an off-hole DHEM anomaly. Drill holes TD8072 and 8073 down plunge from West Edwin returned sub-proximal geochemical signatures and stringer sulphide mineralisation at the basal contact. The best intercept was 3.6 metres grading 1.32% nickel.

McComish East – South Tramways

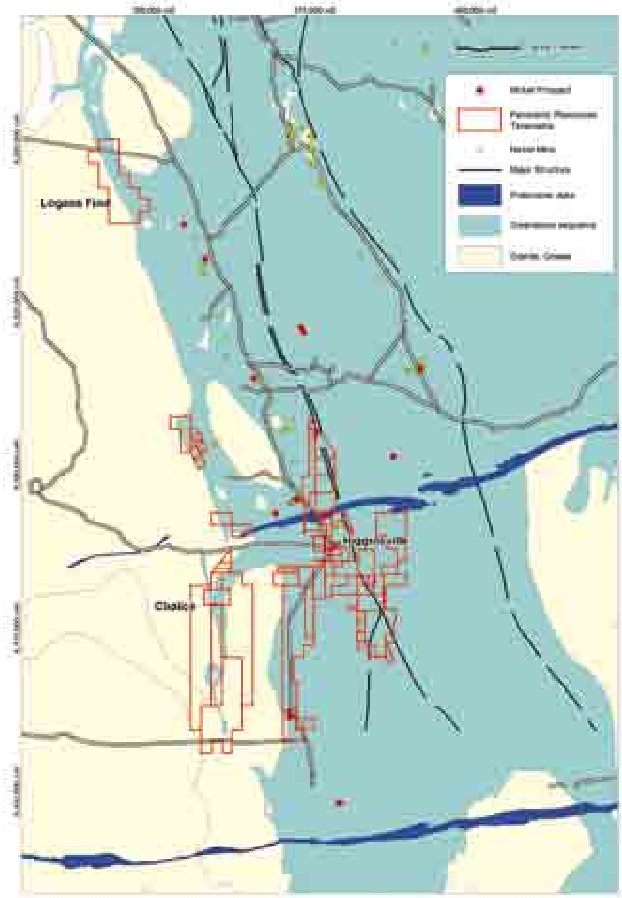
Several holes drilled to the east of McComish returned highly encouraging results. In the area that WMC Resources referred to as the 5S Anomaly, drill hole TD8098 intersected 9.7 metres of disseminated mineralisation grading 1.3% nickel. The intersection was in channel facies komatiite on the basal contact and is supported by DHEM both in TD8098 and in adjacent drill holes. To the north east, drill hole TD8102A intersected a major channel-like structure containing proximal facies komatiites. A strongly conductive off-hole DHEM anomaly, consistent with massive sulphide mineralisation was reported on the basal contact of the hole.

Exploration

Cowan Project (100% Panoramic, Nickel Rights only)

The Cowan Nickel Project is located in the Widgiemooltha-Higginsville-Chalice-Democrat region of the Eastern Goldfields, Western Australia and comprises two project areas over approximately 500 square kilometres.

The Cowan Nickel Project contains large tracts of Archaean greenstone belts that comprise ultramafic (komatiite), mafic volcanics (basalt) and sedimentary sequences. The tenement package contains about 200 strike kilometres of komatiite volcanics that are interpreted as strike extensions or thrust repetitions of the sequence that host nickel sulphide deposits at Mariners, Miitel, Redross and Wannaway on the Widgiemooltha Dome, demonstrating the high prospectivity of the ground holding. The nickel deposits belong to the economically significant class of komatiite-associated nickel sulphide deposits, which are well represented in the Kambalda and Widgiemooltha areas.



Cowan Nickel Project – Location Map

Previous exploration has focused on gold over the past twenty years, with only four nickel-orientated programs recorded in the project areas since the nickel boom of the late 1960s. A significant opportunity has now been created through the application of modern geophysics, particularly time domain electromagnetics (EM), to the direct detection of nickel sulphide orebodies.

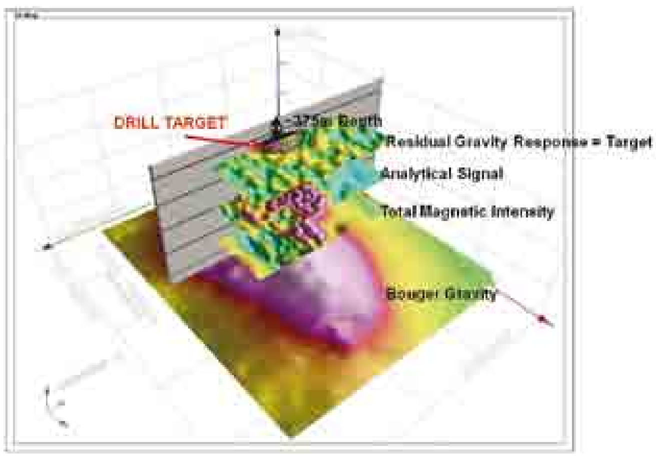
Panoramic continued to explore the Cowan tenement package during 2008/09, principally via the application of moving-loop electromagnetics (MLEM) over prospective ultramafic horizons. In the past twelve months, approximately 165 line kilometres of MLEM survey have been completed at Cowan. The surveys have identified several electromagnetic anomalies that will require drill testing. Drill testing of the anomalies is scheduled to commence in October 2009.

Other

Bluebush Copper-Gold Exploration Agreement Signed with Territory Uranium Limited

In July 2009, Panoramic entered into a Farm-in Agreement with Territory Uranium Limited ("Territory") to earn up to 80% in the Bluebush copper-gold Project in the Tennant Creek region. The Bluebush Project is located between the Tennant Creek mineral field and the Rover mineral field where recent exploration success has provided renewed interest in an area which has historically produced over five million ounces of gold and 500,000 tonnes of copper.

Panoramic has agreed to spend $500,000 in the first twelve months while Territory will manage the Project until Panoramic has earned 51% equity by spending $3 million over three years.



Bluebush-gravity drill target

Exploration

Panoramic can earn up to 60% by spending up to $6 million within five years and up to 80% by spending up to $9 million or completing a prefeasibility study within seven years. Territory maintains the right to participate when Panoramic has earned 60% or 80%.

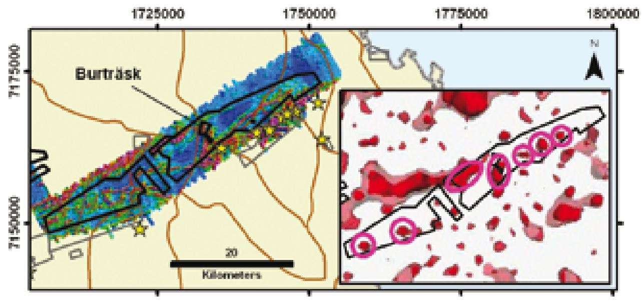
The focus of the Bluebush Joint Venture is to fund drilling based exploration to test a series of well defined geophysical targets, possibly analogous to Iron Oxide Copper Gold (IOCG) style systems. The major target is the district scale Bluebush combined gravity and magnetic anomaly which is similar in size, response and geological setting to the anomaly that led to the discovery of the Olympic Dam Orebody. Previous drilling on the property failed to explain the source of the anomaly, and therefore it remains to be tested.

Norrland Exploration Joint Venture

In September 2008, Panoramic entered into a joint venture with Norrland Resources Ltd to explore for nickel sulphide mineralisation in the Vasterbotten Nickel-Copper-Cobalt-Platinum Group Metals district, Sweden. Norrland is owned by the Mitchell River Group, who were instrumental in the establishment of the nickel sulphide companies Panoramic Resources, Albidon and Mirabela Nickel.

Norrland has secured over 1,000 square kilometres of exploration licences within the Vasterbotten District surrounding areas of historical nickel sulphide mineralisation and advanced nickel sulphide projects held by other mining groups (Blackstone Ventures Inc, Lundin Mining). Vasterbotten is geologically similar to the East Kimberley in Western Australia which contains Panoramic's Savannah Project and the Thompson Nickel Belt in Canada which contains over 2 million tonnes of nickel metal. Vasterbotten is an excellent environment for airborne electromagnetic (EM) geophysical surveys which was utilised as a first pass exploration tool with drill targets being defined using a combination of EM surveys, aeromagnetic data, and the distribution of nickel sulphide occurrences in boulders.

Field validation and the application of other geophysical techniques (principally gravity) has resulted in the generation of 14 targets of interest. A program of follow-up geophysics involving a combination of ground EM, magnetics and gravity is underway on 10 of the 14 targets of interest in order to define drill targets ahead of the 2009/10 Northern Hemisphere winter.



Norrland Regional EM & Gravity

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by or reviewed by John Hicks. 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 report of the matters based on his information in the form and context in which it appears.

Information in this report relating to the Savannah Lower Zone Mineral Resource has been either completed by or reviewed by Christopher Black of Cube Consulting Pty Ltd. Mr Black is a member of The Australian Institute of Geoscientists (AIG) and 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 Black consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report relating to Ore Reserves has been completed by or reviewed by Jonathon Bayley, Lilong Chen and Robert Thorburn. The aforementioned are full-time employees of Panoramic Resources Limited. The aforementioned have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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. The aforementioned consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Sustainability

Overview

Although only in our second year of Sustainability reporting, our commitment to operate using the principles of "Sustainability" has been in place since the formation of the Company in 2001.

We will always strive to achieve excellence in our corporate responsibilities by delivering value to our shareholders; providing a safe, productive, and stimulating work environment for our people, building mutually beneficial community relations with our stakeholders and minimising our impact on the environment and our use of natural resources.

Using the Global Reporting Initiative (GRI) G3 Reporting Framework, Panoramic's first Sustainability Report in 2008 provided an overview of our governance, economic, environmental and social performance.

Building on these beginnings, a more detailed assessment of our performance will be provided for our stakeholders in 2009. The full report will be made available on our website (www.panoramicresources.com) when it is completed in December 2009.

Sustainability

Safety Performance

Following a comprehensive review of our safety performance in 2008, a series of initiatives were introduced that are now producing positive results. A key achievement is the reduction in site Lost Time Injury Frequency Rates. There has also been a noticeable cultural shift in the attitude of our employees, with greater focus on continuous improvement of our safety performance and positive pro-active workplace behaviours.

Although a number of serious near miss events were recorded for the year, these did not result in long term significant injuries occurring. We will use what we have learned from these events and will continue to work hard to eliminate all serious potential incidents from the workplace.

Working with our external safety consultants, we have provided training and up-skilling to employee groups in the areas of incident investigation, hazard identification, risk management and safety leadership. The Management Safety Steering Committee, consisting of the senior leadership group including a non-executive director, has met during the year to continue to develop and improve the strategic safety plan.

The 'VCR' safety mantra has continued to be a simple means of articulating a powerful safety message to all of our employees and contractors.

Vision:	Safety is a value not just a priority
Commitment:	Safety improvement through leadership
Results:	Safely home every day

Our Employees

Over the previous 12 months, our business was directly affected by the *global financial crisis*. As a consequence, significant changes to the way the business operated were required. Reluctantly, a number of employees were made redundant across the Company in order to reduce costs. Additionally, Company wide salary cuts of 10% were made and various employee benefits were withdrawn in January 2009.

Although this was a challenging time for everyone, it was a credit to the character of our employees and the strength of our leadership group that we could make the necessary changes to keep the business viable. Importantly, we did not see a deterioration in the safety performance of our operations or a decline in our management of community relations and environmental performance during this difficult time.

The demographics of where our employees come from has remained fairly constant with Savannah drawing mainly from Broome, Derby, Darwin and Perth. Employees at Lanfranchi are predominantly based in Kambalda, Esperance and Perth.

A significant decision was made at Savannah to take over the maintenance of the underground mobile equipment and electrical infrastructure from contractors. Similarly, the paste filling function at Lanfranchi is now managed by our own personnel.

We continued to promote from within our employee group to provide people with opportunities and career development pathways. We continued to invest in training and development of our employees through external courses and technical seminars together with in-house training and the use of external consultants to do hands-on training.

Investment in IT infrastructure has resulted in improved data security and faster, more reliable communications. We have invested in video conferencing and widespread use of large AV screens in Perth and at our operations. The AV screens are used to display key information about the Company's performance, commodity prices, safety and environmental information. They are a positive and effective communication tool and have been well received by our employees.

Our Community

Fostering good stakeholder relations at all levels is a key element of our culture at Panoramic. We believe this can only be achieved through a consultative approach.

We are progressing towards meeting our commitments under our two Co-existence Agreements, and are on track to achieve our first Indigenous employment target of 10% employees and contractors by November 2009. To reinforce our commitment to Indigenous employment, we are currently developing a Group Indigenous Employment Policy. Although still in the planning phase, work on developing a Cultural Awareness Training program for the Savannah Project has also commenced.

Our operations continue to support their local communities including Warmun, Broome, Wyndham and Kambalda with sponsorship for community events, local schools and sporting clubs.

Sustainability

Our Environment

Our projects continued to operate within all statutory regulations and licence conditions during the year. Reduced emissions and energy saving programs were again a key area of focus for our operations, with Panoramic scheduled to report under the NPI (National Pollutants Inventroy), EEO (Energy Efficiency Opportunities) and NGER (National Greenhouse Energy Reporting) programs. We have undertaken site energy efficiency audits to review the way energy is utilised at our sites. These audits also identified a number of opportunities for energy efficiency improvements in the future.

Following a review of our mine closure planning process, a new "staged" approach has been implemented. As our operations mature, the level of detail contained within the site closure plan increases.

We believe that this "adaptive management" approach will ultimately deliver improved long-term environmental outcomes for our stakeholders. It will also allow for an agreed set of mine closure criteria to be developed that facilitate the timely relinquishment of all leases and licences following closure.

A comprehensive stakeholder engagement process was undertaken during the year as part of a proposal seeking amendments to current management and mine closure strategies for the Savannah tailings storage facility. In developing the proposal submission, a 'risk based' approach was utilised to identify key issues considered to be of potential high risk to the environment.

Issues such as surface and groundwater management, geochemical assessments, aquatic ecological impact investigations and TSF cover design options were addressed during this process.

We believe that both the consultative process and the use of a risk based approach have been central in demonstrating to our stakeholders that our proposal will deliver improved environmental outcomes and acceptable levels of risk.

Sustainability

Performance Summary

SOCIAL PERFORMANCE	2008/09 Commitment	2008/09 Performance	Progress	2009/10 Commitment
Our Community	• Develop a formal engagement plan with local communities by June 2009	• Formal engagement plan yet to be progressed.		• Engagement Plan to be developed.
	• Deliver on commitments under both Co-existence Agreements	• Formal Co-existence committee meetings undertaken • Development of cultural awareness training program commenced. • No reported incidents relating to indigenous communities		• Continue to engage with local Traditional Owners and deliver on commitments under Co-existence Agreements • Finalise cultural awareness training program.
	• Increase the 10% Indigenous workforce at Savannah	• Indigenous workforce = 9.5%		• Meet employment target (10%).
	• Develop an Indigenous Employment Policy by June 2009	• Development of employment policy commenced.		• Finalise employment policy.
Our Employees	• Savannah Turnover rate <15% • Lanfranchi Turnover rate <34%	• Employee turnover rate now to be reported for Group. • Group turnover rate = 30.16%		• Develop Group turn-over rate reduction target. • Implement HR initiatives to reduce Group turnover rate
	• Exceed industry average for women in the workplace • Develop a Managing Diversity Policy	• Group Female workforce = 11.76% • Development of Managing Diversity Policy on-going.		•Implement initiatives to increase Group female workforce to 15% • Implement Managing Diversity Policy.
Occupational Health and Safety	• Reduce Lost Time Injury Frequency Rates (LTIFR) at all sites	• Lanfranchi: 10.5 to 3.6 LTIFR • Savannah: 12.7 to 8.7 LTIFR • Panoramic = 6.2 LTIFR		• Develop Group LTIFR reduction target.
	• Finalise Strategic Safety Plan	• Group Strategic Plan developed and implemented		• Continue to communicate with all employees that "safety is a value not just a priority" • Continue to work towards reducing all workplace injuries and serious near miss events • Continue to re-inforce positive pro-active workplace behaviours.
	• Develop 3 year Action Plan	• Strategic Action plan implemented.		• Report on Strategic Plan's Year 1 and 2 actions.
ENVIRONMENTAL PERFORMANCE	**2008/09 Commitment**	**2008/09 Performance**	**Progress**	**2009/10 Commitment**
Energy Consumption Management	• Publicly report on results of first Energy Efficiency Opportunity (EEO) program site assessment and opportunities workshop for Savannah	• Public EEO report submitted Dec 2008 • Group Energy Use = 630,922 Gigajoules (EEO Public Reports available on: www.panoramicresources.com)		• Publicly report on 2009 site assessments – Dec 09 • Continue to evaluate energy efficiency opportunities for sites.
Emissions Management	• Report on all sites under the Greenhouse Challenge Plus • Set greenhouse gas emissions reduction targets	• Greenhouse Challenge Plus program ceased (30 June 09), with Group to report under National Greenhouse Energy Reporting (NGER) program. • Reduction targets have been replaced by identification of energy efficiency opportunities. • Group greenhouse (Scope 1; Scope 2) emissions = 60,440 tonnes CO_2-e		• Group to Report under NGER program. • Continue to identify and evaluate energy efficiency opportunities for implementation at operations
Water Management	• Introduce trigger levels for borefield management at Savannah	• Abstraction trigger levels established for Savannah borefield. • Lanfranchi scheme water usage = 83,477 kilolitres • Savannah abstraction (total) = 804,779 kilolitres • Savannah borefield abstraction = 274,829 kilolitres (34.1%)		• Maintain Savannah borefield abstracted levels at below 40% of total allowable annual water entitlement.
Land Management	• Finalise review of Mine Closure Plans by June 2009	• Mine closure review completed • Lanfranchi Level 2 Operational Mine Closure Plan implemented • Savannah Level 2 Operational Mine Closure Plan under development.		• Finalise the Savannah Level 2 Mine Closure Plan.
Environmental Compliance	• No significant incidents or non-compliance with environmental legal requirements	• No significant incidents or non-compliances with legal requirements reported for Group.		• Continue to ensure compliance with all legal requirements (Tenement and License conditions)
Environmental Reporting	• Standardisation of data collection processes to allow for comparisons on environmental performance between our sites	• Savannah – new environmental data base implemented • Standard energy & emission data collection format for all operations established.		• Continue to review & improve environmental data collection tools, processes and systems.
SOCIO-ECONOMIC CONTRIBUTION	**2008/09 Commitment**	**2008/09 Performance**	**Progress**	**2009/10 Commitment**
Indirect Economic Impact		• Group environmental performance bonds = $3,308,000		• Continue to develop strategies to minimise Group environmental liabilities.
	• Contribute revenue to community investment initiatives.	• Community donations = $296,413 • Cultural awareness/ education & scholarship initiatives = $377,851		• Continue to support and invest in local communities
	• 75% of our suppliers to be locally based or within Western Australia.	• Over 75% of our suppliers are locally based or within Western Australia.		• Maintain Group average of 75% usage of locally based suppliers.

| KEY | Goal Achieved | Goal on-going | Goal not achieved | New Goal |

Directors' Report

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 financial year ended 30 June 2009.

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):

Christopher J G de Guingand (Non-Executive Chairman)

76 years | FCPA | Appointed 8 July 2005

Christopher de Guingand has had a long and distinguished career in the mining industry, predominately in financial and marketing roles with a number of mining companies as an executive, trader, director or consultant. Chris started his career with CRA where he held senior management positions in marketing non-ferrous metals and iron ore over a 13 year period. He then joined Metals Exploration Limited as Commercial Manager in charge of financing and marketing for the Greenvale Nickel Project. In 1982 he established his own marketing and logistics consultancy, Mineral Commerce Services, which provides marketing and shipping services to a number of base metals projects in Australia and overseas.

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

- Albidon Limited (Non-Executive Director from 1 January 2004 to 17 April 2009)

Peter J Harold (Managing Director)

46 years | B.AppSc(Chem), AFAICD | Appointed 16 March 2001

Peter Harold is a process engineer with over 21 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 Cawse nickel laterite project and the Silver Swan and Mt Keith nickel sulphide projects prior to the acquisition, development and operation of the Savannah Nickel Project.

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

- Uranium Resources PLC (Non-Executive Director from 31 January 2005 to 26 October 2006)
- Alloy Resources Limited (Non-Executive Chairman from 15 September 2005)*
- Territory Uranium Company Limited (Non-Executive Chairman from 1 March 2007)*

**Denotes current directorship*

Christopher D J Langdon (Non-Executive Director)

46 years | B.Com (Econ) | Appointed 4 August 2004

Christopher Langdon has over 24 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. He 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 Langdon has also served as a director of the following listed company:

- F.F.I. Holdings Ltd (Director from 10 November 2006)*

**Denotes current directorship*

John Rowe (Non-Executive Director)

60 years | BSc (Hons), ARSM, MAusIMM | Appointed 5 December 2006

John Rowe is a geologist who has had extensive mining industry experience over a 38 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, he 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

Directors' Report

Consolidated Goldfields, Agnew Mining, and North Kalgurli Mines. 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. Mr Rowe is also the Principal of John Rowe and Associates which provides geological and business development advice to the mining industry.

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

- Perseverance Corporation Limited (Non-Executive Director from 19 September 2007 to 18 February 2008)
- Catalpa Resources Limited (Non-Executive Director from 12 October 2006 and Non-Executive Chairman from 30 January 2008)*

**Denotes current directorship*

Brian M Phillips (Non-Executive Director)

66 years | AWASM-Mining, FAusIMM, MIMMM, | Appointed 27 March 2007

Brian Phillips is a mining engineer who has had extensive mining industry experience in operational and management roles in precious and base metals over a 40 year period. Brian started his career with the Gold Fields Group in Tasmania, the United Kingdom and Western Australia. In 1981, he joined Metals Exploration Limited and for the next seven years was a director of Metals Exploration Limited, North Kalgurli Mines Limited and Gold Mines of Kalgoorlie Limited. After a period running a privately owned mining services company, Brian became a director of MPI Mines Limited in 1992 and from October 2002 was its Managing Director until the takeover of MPI by LionOre Australia in 2004. 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 Phillips has also served as a director of the following listed companies:

- Leviathan Resources Limited (Non-Executive Chairman from 15 November 2004 to 24 January 2007)
- Perseverance Corporation Limited (Non-Executive Vice Chairman from 24 January 2007 to 18 February 2008)
- Tawana Resources NL (Non-Executive Chairman from 4 April 2005 to 20 June 2008. Non-Executive Director from 20 June 2008 to 24 July 2009)
- Indophil Resources NL (Non-Executive Director from 1 April 2005 and Non-Executive Chairman from 21 April 2005)*

**Denotes current directorship*

COMPANY SECRETARY

Trevor R Eton

49 years | B.A (Hons)(Econ), PostGradDip (Man), AFAIM | Appointed 12 March 2003

Trevor Eton is an accountant with over 25 years 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.

During the past three years, Trevor Eton has not served as a director of any listed companies.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees 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:	**16**	**2**	**2**	**1**
Number of meetings attended:				
Christopher J G de Guingand	15	1	2	1
Peter J Harold	16	-	2	1
Christopher D J Langdon	15	2	2	1
John Rowe	16	2	2	1
Brian M Phillips	16	2	2	1

Directors' Report

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)	Christopher J G de Guingand (c)	Christopher J G de Guingand (c)
Christopher J G de Guingand	Christopher D J Langdon	Christopher D J Langdon
John Rowe	John Rowe	John Rowe
Brian M Phillips	Brian M Phillips	Brian M Phillips
	Peter J Harold	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
Christopher J G de Guingand	-	150,366	-
Peter J Harold	169,006	3,230,785	1,500,000
Christopher D J Langdon	-	25,000	-
John Rowe	-	10,000	-
Brian M Phillips	-	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.

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 14 July 2008, the Company completed the purchase of Liontown Resources Limited's ("Liontown") interest in the Cowan Nickel Project for a cash consideration of $1,685,000. As part of the transaction, the Company agreed to subscribe for 2.75 million shares in Liontown at $0.115 per share and received 1.25 million unlisted options, exercisable at $0.225 per option, and expiring on 10 July 2010.
- In October 2008, the Upper Zone probable Reserve at the Savannah Project, as at 30 June 2008, was confirmed as 2,926,000 tonnes at 1.29% nickel for 37,750 tonnes contained nickel.
- Due to weakness in base metal prices, the Copernicus Project (Panoramic 60%) open pit was placed on care and maintenance in January 2009. Mining of the open pit had been underway since July 2008.
- In response to the impact on sales revenue from the *global financial crisis*, the Company introduced comprehensive cost reduction measures across the Group in January 2009.
- On 27 February 2009, the Company executed the 'Share Sale and Purchase Agreement – Donegal Resources Pty Ltd' ("SPA") with Brilliant Mining Corp. ("Brilliant") for the purchase of Brilliant's wholly owned subsidiary, Donegal Resources Pty Ltd ("Donegal"), including the assignment of an intercompany loan between Brilliant and Donegal. Donegal has a 25% interest in the Lanfranchi Nickel Project. In consideration for acquiring Donegal and the assignment of the Brilliant Loan, the Company agreed to issue to Brilliant, subject to Brilliant shareholder approval and the completion of financial and legal due diligence on Donegal, 12 million Panoramic shares and 3 million unlisted options to Panoramic shares, exercisable at $1.50 per option, and expiring on 31 December 2012.
- A 29% increase in the Deacon probable Reserve at the Lanfranchi Project to 2,501,000 tonnes at 2.52% nickel for 63,100 tonnes contained nickel was confirmed in May 2009.
- On 26 May 2009, the Company issued 12.0 million Panoramic shares and 3 million unlisted options to Brilliant Mining Corp, pursuant to the Share Sale and Purchase Agreement signed on 27 February 2009.

Directors' Report

- The Company announced on 3 June 2009 an increase in the Savannah Project indicated Lower Zone Resource. The Lower Zone Resource incorporates all mineralisation below the 500 Fault down to approximately 900 metres below surface. The indicated Lower Zone Resource increased 142% to 3,395,000 tonnes at 1.48% nickel for 50,120 tonnes contained nickel.
- On 29 June 2009, the Company agreed to farm-in on Territory Uranium Limited's Bluebush copper-gold project in the Tennent Creek region of the Northern Territory. The Company can earn a 51% interest in the project by spending $3 million over three years, and up to 80% by spending another $6 million or completing a pre-feasibility study within seven years. The minimum expenditure in the first twelve months is $500,000.
- On 30 June 2009, the Company agreed to farm-in on Thundelarra Exploration Limited's exploration tenements in the East Kimberley region of Western Australia. The Company can earn a 61% interest in the tenements by spending $3 million over four years. The minimum expenditure in the first twelve months is $750,000.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Year

The Group's profit after tax for the financial year ending 30 June 2009 was $5,610,000 (2008: $53,332,000).

Financial Performance

The Group's performance during the 2009 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	2009	2008	2007	2006	2005
Net profit/(loss) after tax ($'000)	5,610	53,332	88,109	15,922	10,266
Earnings per share (cent)	2.8	28.4	47.6	9.6	6.5
Dividends per share (cent)	3.0	12.0	12.0	-	-
Dividends pay out ratio (%)	109.1	42.3	25.2	-	-
Market capitalisation ($'000)	463,052	775,108	777,379	215,528	139,737
Closing share price	2.27	4.04	4.14	1.18	0.86
Return on equity (%)	5.5	75.6	121.6	23.2	21.5

DIVIDENDS

On 26 August 2008, the Directors declared a final fully franked final dividend of 5.0 cents per share, which was paid on 19 September 2008 in relation to the year ended 30 June 2008.

On 25 February 2009, the Directors declared an interim fully franked dividend of 1.0 cent per share, which was paid on 20 March 2009.

The Directors have resolved to declare a fully franked final dividend of 2.0 cents per share in respect of the year ended 30 June 2009. The financial effect of this dividend has not been bought to account in the financial statements for the year ended 30 June 2009 and will be recognised in subsequent financial reports.

REVIEW OF OPERATIONS

Located 42kms south of Kambalda in Western Australia, the Company's now 100% owned and operated Lanfranchi Nickel Project produced 405,770 (2008: 286,116) tonnes of ore grading 2.63% (2008: 2.55%) nickel containing 10,690 (2008: 7,304) tonnes of nickel. The nickel ore is sold to BHP Billiton Nickel West ("Nickel West") under a Ore Tolling and Concentrate Purchase Agreement and is treated at Nickel West's Kambalda nickel concentrator..

In the East Kimberley region of Western Australia, the Company operates the Savannah Nickel Project and is the 60% owner and operator of the Copernicus Nickel Project. This year the Savannah Project produced 8,062 (2008: 7,579) tonnes of nickel in concentrate together with 4,246 (2008: 4,072) tonnes of copper and 424 (2008: 409) tonnes of cobalt. The concentrate is shipped from the port of Wyndham to the Jinchuan Group in China under a concentrate sales agreement. The mining of nickel sulphide ore from the Copernicus Project open pit commenced in July 2008. In January 2009, due to the continuing weakness and volatility in base metal prices, the Copernicus Project open pit was placed on indefinite care and maintenance.

Directors' Report

REVIEW OF FINANCIAL CONDITION

Capital Structure

The debt to equity ratio (borrowings on equity interest in shareholders' equity) at 30 June 2009 was 6.5% (2008: 10.7%)

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, by hedging no more than 80% (2008 80%) of the payable nickel forecast to be produced over a rolling two year horizon through a combination of nickel forward sales contracts and nickel put and call options, with the percentage of the combined nickel forward sales contracts and written nickel call options to be no more than 40% (2008: 40%) of the payable nickel forecast to be produced over the same rolling two year horizon;
- For currency risk, sufficient hedging on a month to month basis to match the net United States dollar proceeds from nickel hedging using nickel forward sales contracts.

None of the existing nickel forward sale contracts that have been entered into by the consolidated entity are subject to margin calls.

As at 30 June 2009, the consolidated entity had sold forward:

- 2,400 tonnes of nickel at an average weighted US$ nickel price of US$12.15 per pound for delivery between July 2009 and June 2010, which represents approximately 22% of forecast payable nickel production; and
- 600 tonnes of nickel at an average weighted US$ nickel price of US$6.93 per pound for delivery between July 2010 and June 2011, which represents approximately 5% of forecast payable nickel production.

As at 30 June 2009, except for a net favourable in the money position on open United States dollar denominated foreign exchange bought put and sold call options that expire between July 2009 and June 2010 as detailed further in Note 12 of the Notes to the Financial Statements, the consolidated entity had no outstanding committed United States dollar denominated forward currency hedging contracts.

CORPORATE

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

EMPLOYEES

At the end of the financial year, the Group had 331 full time employees (2008: 341).

EVENTS SUBSEQUENT TO BALANCE DATE

On 30 July 2009, BHP Billiton Nickel West Pty Ltd exercised its option to extend the 2004 Tramways Ore Tolling and Concentrate Purchase Agreement on the same terms and conditions for a further nine years from 27 February 2010.

On 28 August, 2009, the Directors resolved to declare a fully franked final dividend of 2.0 cents per share in respect of the year ended 30 June 2009.

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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The consolidated entity will continue with the production of nickel concentrate at the Savannah Project while at the same time continue with the mining of nickel sulphide ores from the Lanfranchi Project. In addition, the consolidated entity will continue to supervise care and maintenance operations at the Copernicus Project open pit and regularly consult with its 40% joint venture partner as to when open pit mining operations are able to recommence.

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

Further information about likely developments in the operations of the Company 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 Company.

Directors' Report

SHARE OPTIONS

At the date of signing, total unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price ($)	Number of Shares
31 December 2010	2.20	1,687,500
31 December 2012	1.50	3,000,000

During the financial year, option holders have exercised the option to acquire 129,500 (2008: 3,638,250) fully paid shares in Panoramic Resources Limited at a weighted average exercise price of $1.23 (2008: $0.99). In addition, the Company cancelled 40,500 options at a weighted average exercise price of $2.10 through forfeiture (2008: 25,000 options at a weighted average exercise price of $2.20).

In the interval between the end of the financial year and the date of signing, no option holders have exercised the option to acquire fully paid shares in Panoramic Resources Limited.

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 conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities including costs and expenses.

During or since the financial year, the Company has paid premiums of $34,485 (2008: $47,104) 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.

REMUNERATION REPORT (AUDITED)

This 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. These remuneration disclosures are provided in pages 39 to 48 of the Directors' Report designated as audited. 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, and includes the five executives in the Company and the Group receiving the highest remuneration.

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

Details of Key Management Personnel (including the five highest executives of the Company and the Group)

(i) Directors	
Christopher De Guingand	Chairman (Non-Executive)
Peter Harold	Managing Director
Christopher Langdon	Director (Non-Executive)
John Rowe	Director (Non-Executive)
Brian Phillips	Director (Non-Executive)
(ii) Executives	
Trevor Eton	Chief Financial Officer & Company Secretary
Christopher Williams	General Manager – Operations
Terry Strong	Operations Manager – Savannah Project
Stephen Kelleher	Group Process Manager
Simon Jessop	Operations Manager – Lanfranchi Project

Directors' Report

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 senior managers 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 executive team.

Remuneration Structure

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

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. 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. An additional fee is also paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

As a consequence of the continuing weakness in global base metal markets, the non-executive directors agreed to a 10% reduction in director fees. This change came into effect from 1 February 2009.

The remuneration of non-executive directors for the period ending 30 June 2009 is detailed in Table 1 on page 44 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 (potential short term and long term incentives). Any shares in the Company that are held by non-executive directors at the date of this report are directly or indirectly separately purchased and held by each director and have not been issued by the Company as part of their remuneration package.

Executive Remuneration

Objective

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

- reward executives for Company, business unit 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.

Directors' Report

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 senior executives. Details of these contracts are provided on pages 42 to 43.

Remuneration consists of the following key elements:

- Fixed Remuneration (base salary, superannuation and non-monetary benefits);
- Variable Remuneration
  - Short Term Incentive ('STI'); 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 page 44 details the variable component (%) of the Company's key management personnel which includes the five most highly remunerated executives.

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 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 then prevailing significant weakness in global base metal markets, the executives agreed, together with all Company employees, to accept a 10% reduction in base salary and the removal of certain health benefits. These changes came into effect from 1 February 2009.

The fixed remuneration component of the Group's key management personnel which includes the five most highly remunerated executives is detailed in Table 1 on page 44.

Variable Remuneration – Short Term Incentive (STI)

Objective

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments granted to each executive depends on the extent to which specific operating targets, set at the beginning of the financial year, are met. The operational targets consists of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, production and cost targets, safety performance, environmental compliance, risk management, and leadership/team contribution. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

The Group has predetermined benchmarks that must be met in order to trigger payments under the STI scheme. On an annual basis, after consideration of performance against KPIs and profitability, an overall performance rating for the Company and each individual business unit is approved by the Remuneration Committee. The individual performance of each executive is also rated and all the ratings are taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. This process usually occurs within three months after the reporting date.

The aggregate of annual STI payments available for executives across the Company is subject to the approval of the Remuneration Committee. STI payments are not accrued in the financial year they relate to as the aggregate amount of the annual STI payments is unable to be determined until after the reporting date. Payments are made as a cash bonus in the following period, with 60% of the annual bonus being paid in the following December quarter and the remaining 40% paid in the following April.

For the 2008 financial year, the STI annual cash bonus pool (excluding the Managing Director's retention cash bonuses) allocated to executives of $1,694,000 was paid in the 2009 financial year. There were no forfeitures. The Remuneration Committee will consider the STI payments for the 2009 financial year between the date of this report and October 2009. The maximum annual STI cash bonus pool for the 2009 financial year is not yet determined. The minimum amount of the STI cash bonus assuming that no executives meet their respective KPIs for the 2009 financial year is nil.

In addition to the STI annual cash bonus pool, in February 2009 the Remuneration Committee approved the following STI cash payments to the Managing Director, Peter Harold:

- In lieu of the deferral of a single $500,000 retention payment that was previously approved in May 2007 for payment in January 2009, four retention cash payments of $125,000 each, to be paid in April 2009, July 2009, January 2010 and July 2010. This was, and is due to be, paid as an incentive to retain the services of Mr Harold in a highly competitive market where the skills and experience of Mr Harold are continuously being recognised in the mining community.

Directors' Report

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 over the past four years and its impact on shareholder wealth is summarised in the table below.

Year Ended 30 June	2009	2008	2007	2006	2005
Net profit/(loss) after tax ($'000)	5,610	53,332	88,109	15,922	10,266
Earnings per share (cents)	2.8	28.4	47.6	9.6	6.5
Dividends per share (cents)	3.0	12.0	12.0	-	-
Dividends pay out ratio (%)	109.1	42.3	25.2	-	-
Market capitalisation ($'000)	463,052	775,108	777,379	215,528	139,737
Closing share price	2.27	4.04	4.14	1.18	0.86
Return on equity (%)	5.5	75.6	121.6	23.2	21.5

Structure

LTI grants to executives are now delivered in the form of performance rights to shares issued under the company wide Panoramic Employee Share Plan (ESP) approved by the Company's shareholders on 20 November 2007. During the financial year, no LTI grants were allocated to executives. LTI grants to other employees of the Company are made under the ESP where appropriate. In previous financial years, LTI grants to executives were delivered under the 2004 Employee Share Option Plan and a separate LTI grant was made to the Managing Director, Peter Harold, during the 2007 financial year through the shareholder approved Managing Director's Long Term Share Plan (LTSP).

Table 2 on page 45 and Table 3 on page 45, provides details of options and performance rights to shares granted, the value of options and performance rights to shares, and vesting periods under the unlisted share option LTI and unlisted performance rights to shares LTI. Details of the LTSP and ESP and the performance hurdle are provided under the terms of Peter Harold's employment contract on page 42.

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 rules for trading in Company securities detailed in the Corporate Governance Statement on page 52.

Employment Contracts

The Non-Executive Chairman, Christopher de Guingand, commenced in his role on 8 July 2005 under the following terms:

- Christopher de Guingand 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 ($74,250, based on the fixed component of Christopher de Guingand's 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.

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	$51,750
John Rowe	$51,750
Brian Philips	$51,750

- 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.

The Managing Director, Peter Harold, is employed under a four year contract that commenced on 1 January 2006. Since 1 January 2006, the terms of Peter Harold's employment have been amended from time to time following approval from the Remuneration Committee and/or the Company's shareholders. The current terms of his employment are:

Directors' Report

- Peter Harold may resign from his position and thus terminate this contract by giving 3 months written notice. Any vested options not exercised will be forfeited 4 weeks after notice of resignation.
- If there is a change of control of the Company or the Company is taken over then Peter Harold is entitled to a redundancy of 12 months remuneration at his election ($519,750 based on the fixed component of Peter Harold's remuneration). LTI unlisted options if applicable that have not yet vested will vest immediately. The Board of Directors will decide what percentage of LTI performance rights to shares can be converted to shares.
- The Company may make STI cash bonuses to Peter Harold, firstly, up to a maximum of 100% of his base salary measured against the achievement of agreed performance indicators, and secondly, specific STI retention bonuses. Both STI cash bonuses are approved by the Remuneration Committee from time to time;
- Under the Managing Director's Long Term Share Plan (LTSP), Peter Harold will be entitled to be issued a maximum of 1,000,000 shares in the Company at the conclusion of his four year contract (31 December 2009), dependent upon the performance of the Company relative to a group of selected peers over a three and a half year period commencing on 1 July 2006 and ending on 31 December 2009 (Performance Period). The peer group comprises those companies within the S&P / ASX 300 Metals & Mining Index. 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 under the LTSP 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 and further provided that the Company's TSR over that period exceeds a rate of 5% per annum compounded. At the 50th percentile, Peter Harold will be entitled to 50% of the LTSP shares, increasing proportionately to 100% at the 65th percentile;
- Under the Company wide Employee Share Plan (ESP), Peter Harold will be entitled to be issued a maximum of 500,000 shares in the Company on 31 December 2010, dependent upon the performance of the Company relative to a group of selected peers over a three year period commencing on 1 January 2008 and ending on 31 December 2010 (Performance Period). The peer group comprises those companies within the S&P / ASX 300 Metals & Mining Index. 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 under the ESP 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 50% of the ESP shares, increasing proportionately to 100% at the 75th percentile;
- The Company may terminate this employment agreement by providing 6 months' written notice or provide payment in lieu of the combined notice and payment periods ($259,875 based on the fixed component of Peter Harold's remuneration). Upon notice of termination by the Company, any LTI options if applicable that have vested, or will vest during the notice period will be able to be exercised until the LTI options expiry date. LTI options that have not yet vested will vest immediately upon notice of termination unless termination is from serious misconduct in which case the options not yet vested will be forfeited. The Board of Directors will decide what percentage of LTI performance rights to shares can be converted to shares unless termination is from serious misconduct in which case the performance rights to shares will be forfeited.

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	20 April 2009	General Manager – Operations
Terry Strong	2 February 2009	Operations Manager - Savannah Project
Stephen Kelleher	2 February 2009	Group Process Manager & Alternate Operations Manager - Savannah Project
Simon Jessop	2 February 2009	Operations Manager – Lanfranchi Project

The above named executives' employment contracts are under the following terms:

- Each may resign from his position and thus terminate this contract by giving 3 months written notice. Any vested options not exercised will be forfeited 4 weeks from the date of resignation.
- The Company may terminate their employment agreements by providing 4 months written notice or provide payment based on each named executive's fixed remuneration 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 in lieu of notice. Upon either notice of termination by the Company, any LTI options that have vested, or will vest during the notice period will be able to be exercised until the expiry date. LTI options that have not yet vested will vest immediately upon notice of termination unless termination is from serious misconduct in which case the options not yet vested will be forfeited.
- 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 of termination. On termination with such cause, any unvested options or LTI grants if applicable will immediately be forfeited. Any vested options not exercised within 4 weeks of such notice of termination will be forfeited.

Directors' Report

Table 1: Remuneration of Directors and Executives Officers

2009	Short-term incentive benefits			Post-employment benefits		Long-term incentive Plans				
Name	Cash salary and fees	Bonus	Non-monetary benefits	Superannuation	Retirement benefits	Executive Options	Employee Share Options	Long Term Shares	Total	Performance related
	$	$	$	$	$	$	$	$	$	%
Executive Directors										
P J Harold (a)(b)	507,741	633,805	10,196	31,881	-	-	-	1,426,050	2,609,673	79
Non-Executive Directors										
C J G de Guingand	158,125	-	2,688	-	-	-	-	-	160,813	-
C D J Langdon	110,208	-	2,688	-	-	-	-	-	112,896	-
J Rowe	110,208	-	2,688	-	-	-	-	-	112,896	-
B M Phillips	105,461	-	2,688	4,748	-	-	-	-	112,896	-
Executives										
T R Eton	263,102	120,000	9,011	28,484	-	-	98,363	-	518,960	42
C J Williams	263,102	120,000	5,168	28,484	-	-	26,136	-	442,890	33
S G Kelleher (c)	317,180	100,000	5,168	35,142	-	-	19,673	-	477,163	25
S A Jessop	240,917	105,000	5,168	26,346	-	-	13,115	-	390,546	30
T J Strong	261,976	105,000	5,168	18,380	-	-	19,673	-	410,197	30
	2,338,020	**1,183,805**	**50,631**	**173,465**	**-**	**-**	**176,960**	**1,426,050**	**5,348,930**	**52**

(a) Bonus includes an amount of $211,805 representing the non-cash amortisation expense from 1 February 2009 to 30 June 2009 for future cash incentive bonus payments.
(b) Long Term Shares amount is the non-cash amortisation expense for the period in relation to performance share rights granted under the Managing Director's LTSP.
(c) Cash salary includes a $60,243 one-off payment for accrued annual leave entitlements.

2008	Short-term incentive benefits			Post-employment benefits		Long-term incentive Plans				
Name	Cash salary and fees	Bonus	Non-monetary benefits	Superannuation	Retirement benefits	Executive Options	Employee Share Options	Long Term Shares	Total	Performance related
	$	$	$	$	$	$	$	$	$	%
Executive Directors										
P J Harold (a)	517,203	1,250,000	9,976	62,064	-	-	-	976,552	2,815,795	79
Non-Executive Directors										
C J G de Guingand	148,750	-	3,509	-	-	-	-	-	152,259	-
C D J Langdon	103,750	-	3,509	-	-	-	-	-	107,259	-
J Rowe	102,500	-	3,509	-	-	-	-	-	106,009	-
B M Phillips	95,728	-	3,509	8,022	-	-	-	-	107,259	-
Executives										
T R Eton	268,005	125,000	14,228	32,161	-	-	458,307	-	897,701	65
C J Williams	268,005	125,000	7,761	32,161	-	-	122,215	-	555,142	45
S G Kelleher	261,375	91,500	5,635	31,365	-	-	91,661	-	481,536	38
S A Jessop	250,154	100,000	7,761	28,290	-	-	62,275	-	448,480	36
T J Strong	266,500	100,000	7,761	31,980	-	-	97,500	-	503,741	39
	2,281,970	**1,791,500**	**67,158**	**226,043**	**-**	**-**	**831,958**	**976,552**	**6,175,181**	**58**

(a) Long Term Shares amount is the non-cash amortisation expense for the period in relation to performance share rights granted under the Managing Director's LTSP.

Directors' Report

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

(i) Options

No options were granted during 2008/09.

(ii) Performance Rights to Shares

No performance rights to shares were granted during 2008/09.

(i) Options

No options were granted during 2007/08.

(ii) Performance Rights to Share

2008	Grant Date	Grant Number	Vest Date	Securities Vested during period	Value per security at grant date	Value of securities granted during the year	Exercised Number	Exercise Price	Expiry date	% of remuneration
					$	$		$		
PJ Harold	1/01/08	500,000	31/12/10	-	5.35	2,675,000	-	-	1/01/13	95%
		500,000		**-**	**5.35**	**2,675,000**	**-**	**-**		**95%**

No amount was paid or payable by the recipient for those securities granted during the period.

All securities granted during the period can be exercised after the vesting date and prior to the expiry date.

Options granted as a part of executive remuneration have been 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.

Performance rights to shares granted as a part of the Managing Director's remuneration have been 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. This method of valuation has also been used to value performance rights to shares granted to other employees of the Company during the year under the Employee Share Plan (ESP).

There have been no options granted over unissued ordinary shares to key management personnel since 30 June 2009.

Table 3 : Securities holdings of directors and specified executives

2009	Balance at beginning of period	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period	Vested at 30 June 2009		
	1 July 2008				30 June 2009	Total	Not Exercisable	Exercisable
(i) Options								
Directors								
C J G de Guingand	-	-	-	-	-	-	-	-
P J Harold	-	-	-	-	-	-	-	-
C D J Langdon	-	-	-	-	-	-	-	-
J Rowe	-	-	-	-	-	-	-	-
B M Phillips	-	-	-	-	-	-	-	-

Directors' Report

Table 3 : Securities holdings of directors and specified executives (continued)

2009	Balance at beginning of period	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period	Vested at 30 June 2009		
	1 July 2008				30 June 2009	Total	Not Exercisable	Exercisable
Executives								
T R Eton	750,000	-	-	-	750,000	750,000	-	750,000
C J Williams	100,000	-	-	-	100,000	100,000	-	100,000
S A Jessop	50,000	-	-	-	50,000	50,000	-	50,000
S G Kelleher	75,000	-	-	-	75,000	75,000	-	75,000
T J Strong	75,000	-	-	-	75,000	75,000	-	75,000
Total	**1,050,000**	**-**	**-**	**-**	**1,050,000**	**1,050,000**	**-**	**1,050,000**
(ii) Performance Shares								
Directors								
P J Harold	1,500,000	-	-	-	1,500,000	-	1,500,000	-
Total	**1,500,000**	**-**	**-**	**-**	**1,500,000**	**-**	**1,500,000**	**-**

2008	Balance at beginning of period	Granted as Remuneration	Securities Exercised	Net Change Other	Balance at end of period	Vested at 30 June 2008		
	1 July 2007				30 June 2008	Total	Not Exercisable	Exercisable
(i) Options								
Directors								
C J G de Guingand	-	-	-	-	-	-	-	-
P J Harold	-	-	-	-	-	-	-	-
C D J Langdon	-	-	-	-	-	-	-	-
J Rowe	-	-	-	-	-	-	-	-
B M Phillips	-	-	-	-	-	-	-	-
Executives								
T R Eton	950,000	-	(200,000)	-	750,000	375,000	-	375,000
C J Williams	200,000	-	(100,000)	-	100,000	100,000	-	100,000
S A Jessop	110,000	-	(60,000)	-	50,000	50,000	-	50,000
S G Kelleher	150,000	-	(75,000)	-	75,000	75,000	-	75,000
T J Strong	200,000	-	(125,000)	-	75,000	75,000	-	75,000
Total	**1,610,000**	**-**	**(560,000)**	**-**	**1,050,000**	**675,000**	**-**	**675,000**
(ii) Performance Shares								
Directors								
P J Harold	1,000,000	500,000	-	-	1,500,000	-	1,500,000	-
Total	**1,000,000**	**500,000**	**-**	**-**	**1,500,000**	**-**	**1,500,000**	**-**

Directors' Report

Table 4: Securities granted and exercised as part of remuneration for the year ended 30 June 2009

2009	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) Options				
T R Eton	-	-	-	-
C J Williams	-	-	-	-
S A Jessop	-	-	-	-
S G Kelleher	-	-	-	-
T J Strong	-	-	-	-
(ii) Performance Shares				
P J Harold	-	-	-	-

2008	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) Options				
T R Eton	-	700,000	-	-
C J Williams	-	223,000	-	-
S A Jessop	-	150,400	-	-
S G Kelleher	-	161,250	-	-
T J Strong	-	346,000	-	-
(ii) Performance Shares				
P J Harold	2,675,000	-	-	59.3%

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

There were no forfeitures during the period.

Directors' Report

Table 5: Shares issued on exercise of securities

	Shares Issued	Paid per share	Unpaid per share
	No.	$	$
2009			
Executives			
T R Eton	-	-	-
C J Williams	-	-	-
S A Jessop	-	-	-
S G Kelleher	-	-	-
T J Strong	-	-	-
	-	-	-
2008			
Executives			
T R Eton	2 00,000	0 .75	-
C J Williams	1 00,000	2 .20	-
S A Jessop	60,000	1 .96	-
S G Kelleher	75,000	2 .20	-
T J Strong	125,000	1 .66	-
	560,000		**-**

Table 5 is the end of the audited 2009 Remuneration Report.

Directors' Report

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 2009. 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	$134,183
Other	$43,033

Signed in accordance with a resolution of the directors

Peter Harold
Managing Director
Perth, 31 August 2009

Corporate Governance Statement

The Board of Directors of Panoramic Resources Limited 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") revised (August 2007) "Principles of Good Corporate Governance and Best Practice 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 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 five 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 expertise and experience. 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 expertise and experience are considered. The full Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of shareholders.

Independence

The composition of the Board has gradually changed to reflect the transition of the Company from project developer to a sustainable producing business. 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.

Corporate Governance Statement

Conflict of Interest

In accordance with Section 191 of the Corporations Law 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.

Board Performance

There is no formal performance appraisal system in place for Board performance on a director by director basis. However, 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 a criteria in order to retain office.

Director Education

The non-executive directors are given every opportunity to gain a better understanding of the business and are given access to continuing education opportunities to update and enhance their skills and knowledge. Directors visit the Panoramic mining operations at least once a year and meet with management on a regular basis.

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 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. 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.

  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 wellbeing of employees, and on the control and management of the key risks facing the business. The Committee meets during Board visits to the mining operations whereby the members of the Committee are able to directly interface 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.

- **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.

Corporate Governance Statement

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 recently 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 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.

Trading in Company Securities by Directors, Officers and Employees

The Company has established rules for the trading in Company securities by directors, officers and employees to ensure compliance with Section 1002G of the Corporations Law (on insider trading) and Part 2D.1 of the Corporations Law (on the proper duties in relation to the use of inside information). The Managing Director has been appointed to ensure that the following rules for the trading in Company securities are strictly adhered to by all directors, officers and employees:

- Trading in Company securities is only permitted following the notification of the intention to trade with the Managing Director;
- 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, or for a period of 2 business days following the making of a public announcement in relation to that inside information ("the due notice period");
- 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, to trade outside the due notice period.

This Policy document can be accessed on the Company 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 Law, the audit partner of the external auditor is required to be rotated after 5 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.

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 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;

Corporate Governance Statement

- 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 a formal, standardised approach to risk management through the production each year of a Panoramic Risk Management Guideline and the requirement of having the Board approve the guideline on an annual basis. This approach is in accordance with Australian/New Zealand Standard for Risk Management (AS/NZS 4360 2004) and is based on the control framework for enterprise risk management prepared by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) in 2001. The process involves the Company undertaking an annual comprehensive review at the Company's mine sites and Perth office on identifying the risks faced at each location and the appropriate risk management internal controls, systems and response procedures to mitigate their impact on strategic, operational and financial performance. 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 exchange rate;
- customer declaration of force majeure;
- health, safety, industrial and environment matters;
- production capacity;
- future delivery against committed financial derivatives;
- regulatory constraints, compliance and the impact of climate change; and
- natural disasters.

The review also includes examining the effectiveness of internal controls, systems and response procedures that were in place for the previous year. A summary of the Company's Risk Management Guideline can be accessed on the Company's website at www.panoramicresources.com.

The Board has also established a committee of the Board, the Environment, Safety and Risk Committee. As part of its brief, this Committee oversees the Company's management of financial and non-financial risks at the operations in accordance with the guideline 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, as 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 risk management and internal control and that the system is operating effectively.

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 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.

Further details in relation to director and executive remuneration are set out in the Remuneration Report on pages 39 to 48.

Directors' Declaration

In accordance with a resolution of the directors of Panoramic Resources Limited ("the Company"), 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 Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

      (ii) complying with Accounting Standards and 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.

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 2009.

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 35 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, 31 August 2009

Auditor's Independence Declaration

Ernst & Young

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

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 2009, 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

Gavin A. Buckingham

Gavin A. Buckingham
Partner
Perth
31 August 2009

GB:MB:PANORAMIC:106

Independent Audit Report

ERNST & YOUNG

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with the 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 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. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider 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.

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Independent Audit Report

ERNST & YOUNG

Independence

In conducting our audit we have met 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. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. 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 financial position of Panoramic Resources Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 39 to 48 of the directors' report for the year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Panoramic Resources Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
31 August 2009

GB:MB:PANORAMIC:107

Financial Statements

Income statement

For the year ended 30 June 2009

		Consolidated		Parent	
		2009	2008	2009	2008
	Notes	$'000	$'000	$'000	$'000
Revenue from continuing operations	4	**228,747**	238,471	**41,299**	3,634
Other income	5	**1,167**	462	**2,063**	2,154
Cost of sales of goods	6	**(172,176)**	(148,108)	**-**	-
Other expenses	6	**(11,726)**	(12,284)	**(21,152)**	(11,163)
Impairment of assets	16,17	**(26,285)**	-	**-**	-
Exploration and evaluation expenditure		**(7,606)**	(2,258)	**(2,799)**	(1,355)
Mark to market of derivatives	6	**(5,954)**	(3,504)	**-**	-
Finance costs	6	**(772)**	(1,387)	**(8)**	(53)
Profit/(loss) before income tax		**5,395**	71,392	**19,403**	(6,783)
Income tax benefit/(expense)	7	**215**	(18,060)	**2,308**	1,516
Profit/(loss) from continuing operations		**5,610**	53,332	**21,711**	(5,267)
Profit/(loss) is attributable to:					
Equity holders of Panoramic Resources Limited		**5,610**	53,332	**21,711**	(5,267)
		Cents	Cents		
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:					
Basic earnings per share	40	**2.9**	28.4		
Diluted earnings per share	40	**2.8**	27.3		

Balance sheet

As at 30 June 2009

		Consolidated		Parent	
		2009	2008	2009	2008
	Notes	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	8	**49,980**	110,927	**2,647**	55,423
Term deposits	10	**17,300**	-	**-**	-
Trade and other receivables	9	**28,652**	17,181	**130**	82
Inventories	11	**14,811**	11,174	**-**	-
Derivative financial instruments	12	**42,516**	28,790	**-**	-
Current tax receivables	13	**3,578**	-	**4,315**	-
Total current assets		**156,837**	168,072	**7,092**	55,505
Non-current assets					
Receivables	14	**1,792**	565	**130,114**	69,218
Available-for-sale financial assets	15	**481**	1,743	**413**	1,743
Deferred tax assets	18	**-**	-	**1,194**	-
Property, plant and equipment	16	**58,957**	62,067	**1,005**	862
Exploration and evaluation	17(a)	**18,704**	13,068	**-**	-
Development properties	17(b)	**61,711**	58,259	**-**	-
Mine properties	17(c)	**79,033**	15,602	**-**	-
Derivative financial instruments	12	**2,529**	12,506	**-**	-
Other non-current assets	19	**262**	262	**-**	-
Total non-current assets		**223,469**	164,072	**132,726**	71,823
Total assets		**380,306**	**332,144**	**139,818**	**127,328**

Balance sheet

As at 30 June 2009

		Consolidated		Parent	
		2009	2008	2009	2008
	Notes	$'000	$'000	$'000	$'000
LIABILITIES					
Current liabilities					
Trade and other payables	20	**30,849**	31,330	**2,049**	971
Borrowings	21	**4,329**	6,403	**-**	-
Derivative financial instruments	12	**1,438**	-	**-**	-
Current tax liabilities	22	**-**	26,094	**-**	26,094
Total current liabilities		**36,616**	63,827	**2,049**	27,065
Non current liabilities					
Borrowings	23	**2,249**	1,993	**-**	-
Deferred tax liabilities	24	**45,207**	26,459	**-**	376
Provisions	25	**9,960**	8,129	**351**	216
Total non-current liabilities		**57,416**	36,581	**351**	592
Total liabilities		**94,032**	100,408	**2,400**	27,657
Net assets		**286,274**	231,736	**137,418**	99,671
EQUITY					
Contributed equity	26	**101,348**	78,424	**103,478**	80,554
Reserves	27	**71,574**	34,055	**11,094**	6,467
Retained profits		**113,352**	119,257	**22,846**	12,650
Total equity		**286,274**	231,736	**137,418**	99,671

Statement of changes in equity

For the year ended 30 June 2009

Consolidated		Issued capital	Retained earnings	Other reserves	Total equity
	Notes	$'000	$'000	$'000	$'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	27	-	-	(770)	(770)
Changes in the fair value of cash flow hedges, net of tax	27	-	-	60,268	60,268
Transfer to net profit, net of tax	27	-	-	24,271	24,271
Net income/(expense) recognised directly in equity		-	-	83,769	83,769
Profit for the year		-	53,332	-	53,332
Total recognised income and expense for the year		**-**	**53,332**	**83,769**	**137,101**
Contributions of equity, net of transaction costs	26	5,948	-	-	5,948
Dividends provided for or paid	26	-	(36,074)	-	(36,074)
Employee share options - value of employee services	27	-	-	2,926	2,926
Balance at 30 June 2008		**78,424**	**119,257**	**34,055**	**231,736**
Balance at 1 July 2008		**78,424**	**119,257**	**34,055**	**231,736**
Revaluation of assets, net of tax	27	-	-	31,252	31,252
Changes in the fair value of available-for-sale financial assets, net of tax	27	-	-	(569)	(569)
Changes in the fair value of cash flow hedges, net of tax	27	-	-	39,536	39,536
Transfer to net profit, net of tax	27	-	-	(37,896)	(37,896)
Net income/(expense) recognised directly in equity		-	-	32,323	32,323
Profit for the year		-	5,610	-	5,610
Total recognised income and expense for the year		**-**	**5,610**	**32,323**	**37,933**
Contributions of equity, net of transaction costs	26	22,924	-	-	22,924
Dividends provided for or paid	26	-	(11,515)	-	(11,515)
Employee share options - charged to the consolidated entity	27	-	-	2,032	2,032
Employee share options - charged to joint venture partners	27	-	-	44	44
Options issued for business combination	27	-	-	3,120	3,120
Balance at 30 June 2009		101,348	113,352	71,574	286,274

Statement of changes in equity

For the year ended 30 June 2009

Parent	Notes	Issued capital $'000	Other contributed equity $'000	(Accumulated losses) retained earnings $'000	Other reserves $'000	Total equity $'000
Balance at 1 July 2007		**72,476**	**2,130**	**53,991**	**4,311**	**132,908**
Changes in the fair value of available for sale financial assets, net of tax	27	-	-	-	(770)	(770)
Net income/(expense) recognised directly in equity		-	-	-	(770)	(770)
Loss for the year		-	-	(5,267)	-	(5,267)
Total recognised income and expense for the year		**-**	**-**	**(5,267)**	**(770)**	**(6,037)**
Contributions of equity, net of transaction costs	26	5,948	-	-	-	5,948
Dividends provided for or paid	26	-	-	(36,074)	-	(36,074)
Employee share options - charged to the company	27	-	-	-	2,926	2,926
Balance at 30 June 2008		**78,424**	**2,130**	**12,650**	**6,467**	**99,671**
Balance at 1 July 2008		**78,424**	**2,130**	**12,650**	**6,467**	**99,671**
Changes in the fair value of available for sale financial assets, net of tax	27	-	-	-	(569)	(569)
Net income/(expense) recognised directly in equity		-	-	-	(569)	(569)
Profit for the year		-	-	21,711	-	21,711
Total recognised and expense for the year		**-**	**-**	**21,711**	**(569)**	**21,142**
Contributions of equity, net of transaction costs	26	22,924	-	-	-	22,924
Dividends provided for or paid	26	-	-	(11,515)	-	(11,515)
Employee share options - charged to the company	27	-	-	-	2,032	2,032
Employee share options - charged to the joint venture partners	27	-	-	-	44	44
Options issued for business combination	27	-	-	-	3,120	3,120
Balance at 30 June 2009		**101,348**	**2,130**	**22,846**	**11,094**	**137,418**

Cash flow statements

For the year ended 30 June 2009

		Consolidated		Parent	
		2009	2008	2009	2008
	Notes	$'000	$'000	$'000	$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		**209,333**	240,632	**11**	-
Payments to suppliers and employees (inclusive of goods and services tax)		**(153,839)**	(128,473)	**(7,978)**	(7,488)
Income taxes paid		**(24,915)**	(21,512)	**(24,915)**	(21,512)
Borrowing cost paid		**(700)**	(830)	**(8)**	(53)
Net cash inflow (outflow) from operating activities	**38**	**29,879**	**89,817**	**(32,890)**	**(29,053)**
Cash flows from investing activities					
Interest received		**3,624**	6,024	**1,299**	3,634
Payments for property, plant and equipment		**(15,839)**	(22,163)	**(362)**	(157)
Payments for exploration expense		**(3,070)**	(6,141)	**-**	-
Payment of development costs		**(39,825)**	(33,447)	**-**	-
Payments for mineral properties		**(1,932)**	(3,753)	**-**	-
Payments for other financial assets term deposits		**(17,300)**	-	**-**	-
Proceeds from sale of plant and equipment		**109**	92	**16**	89
Cash outlfow on acquisition of subsidiary	31(b)	**(499)**	-	**-**	-
Net cash (outflow) inflow from investing activities		**(74,732)**	**(59,388)**	**953**	**3,566**
Cash flows from financing activities					
Proceeds from issues of ordinary shares		**159**	3,616	**159**	3,616
Payments received from controlled entities		**-**	-	**-**	40,955
Payments made to controlled entities		**-**	-	**(9,484)**	-
Repayment of borrowings		**(4,737)**	(6,632)	**-**	-
Dividends paid to company's shareholders	28	**(11,515)**	(36,074)	**(11,515)**	(36,074)
Net cash (outflow) inflow from financing activities		**(16,093)**	**(39,090)**	**(20,840)**	**8,497**
Net decrease in cash and cash equivalents		**(60,946)**	**(8,661)**	**(52,777)**	**(16,990)**
Cash and cash equivalents at the beginning of the financial year		**110,926**	119,587	**55,424**	72,414
Cash and cash equivalents at end of year	**8**	**49,980**	**110,926**	**2,647**	**55,424**

Notes to the financial statements

30 June 2009

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 2009 was authorised for issue in accordance with a resolution of the directors on 31 August 2009.

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 consolidated entity 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, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Reporting Standards (IFRS).

Australian Accounting Standards that have recently been issued or amended and are not yet effective have not been adopted for the annual reporting period ending 30 June 2009:

(i) AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items*

This amendment to AASB 139 clarifies how the principles underlying hedge accounting should be applied when (i) a one sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist. This is applicable to annual reporting periods beginning on or after 1 July 2009. The Group has not yet determine the extent of the impact on the amounts included in the Group's financial statements, if any.

(ii) AASB 8 and AASB 2007-3 *Operating Segments and consquential amendments to other Australian Accounting Standards*

This is a new standard replacing AASB 114 Segement Reporting, which adopts a management reporting approach to segment reporting. This is applicable to annual reporting periods beginning on or after 1 January 2009. AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. It may have an impact on the Group's segment diclosures.

(iii) AASB 123 (Revised) and AASB 2007-6 *Borrowing Costs and consequential amendments to other Australian Accounting Standards*

The amendments to AASB 123 require that all borrowing costs associated with qualifying assets be capitalised. This is applicable to annual reporting periods beginning on or after 1 January 2009. The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.

(iv) AASB 101 (Revised) and AASB 2007-8 and AASB 2007-10 *Presentation of Financial Statements and consquential amendments to other Australian Accounting Standards*

This standard introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements. This is applicable to annual reporting periods beginning on or after 1 January 2009. These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.

(v) AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations*

The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. This is applicable to annual reporting periods beginning on or after 1 January 2009. The Group has share-based payment arrangements that maybe affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.

(vi) AASB 3 (Revised) *Business Combinations*

The revised standard introduces a number of significant changes to the accounting for business combinations. The changes apply prospectively. This is applicable to annual reporting periods beginning on or after 1 July 2009. The Group has not yet assessed the impact should the Group enter into some business combinations during the next financial year.

(vii) AASB 127 (Revised) *Consolidated and Separate Financial Statements*

Under the revised standard, a change in ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction. This is applicable to annual reporting periods beginning on or after 1 July 2009. If the Group changes its ownership interest in exisitng subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or loss in the Group's income statement.

(viii) AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*

Amending standard issued as a consequence of revisions to AASB 3 and AASB 127. This is applicable to annual reporting periods beginning on or after 1 July 2009. Refer to AASB 3 (Revised) and AASB 127 (Revised) above for explanation on how this impacts the Group's financial report.

(ix) AASB 2008-7 *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit and loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment.

AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amout of the subsidiary (that is, share of equity) rather than its fair value.

This is applicable to annual reporting periods beginning on or after 1 January 2009. Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.

(x) AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]*

This is applicable to annual reporting periods beginning on or after 1 July 2009. The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

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

These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7. This is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements.

(xi) Amendments to International Financial Reporting Standards *Amendments to IFRS 2*

This is applicable to annual reporting periods beginning on or after 1 July 2010. The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular:

- the scope of AASB 2; and

- the interaction between IFRS 2 and other standards.

An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2—Group and Treasury Share Transactions. As a result, IFRIC 8 and IFRIC 11 have been withdrawn. The Group has not yet determined the extent of the impact of the amendments, if any.

(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

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.

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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, 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.

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.

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.

Impairment of capitalised mine development 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 mine development expenditure 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 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.

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.

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.

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 39.

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(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.

(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 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 purposes of the Cash Flow Statement, cash includes cash on hand and in banks and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

(i) 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 issue of a provisional invoice. Increments and decrements in both final measured contained nickel in nickel concentrate delivered to the customer and the determination of the final nickel price, being the spot monthly average nickel price of the month the product has been shipped from port, 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 estimated fair value of the consideration received and the embedded derivative is included within trade receivable. At each reporting date, provisional priced nickel is marked to market based on 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.

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(j) 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.

(k) 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 for the US Dollar Nickel concentrate transacted on the London Metals Exchange.

At each balance sheet date, the Group measures ineffectiveness using ratio offset method. For foreign currency 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.

(l) 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.

(m) 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.

(n) Investments

(i) Investments in controlled entities

Investments in controlled entities are carried at the lower of cost and recoverable amount.

(ii) 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.

(o) 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.

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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 Group. Details about the tax-funding agreement are disclosed in note 7.

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.

(p) 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 Cash Flow Statement 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.

(q) 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.

Depreciation and amortisation

Depreciation and amortisation is calculated on a straight line basis over the estimated useful lives of the assets. 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.

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.

(r) 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 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.

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.

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.

(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 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.

(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.

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(iv) *Provisions for decommissioning 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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, 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.

(w) 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 the Black Scholes 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.

(x) Contributed equity

Ordinary share capital is recognised at fair value of the consideration received by the company. Any transaction costs arising as a result of ordinary shares issued at balance date are recognised in equity as a reduction of the share proceeds received.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(y) 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.

(z) 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.

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(aa) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

A business combination which occurs in stages is treated as a series of separate transactions, using the cost of the transaction and fair value information at the date of each transaction to determine the amount of any goodwill associated with that transaction. In addition, a revaluation adjustment is recognised equal to the difference between the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date control is obtained and their fair value at the date of the original transactions.

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 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 exchange 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 US$/A$ exchange rates. The Group seeks to mitigate the effect of its net foreign currency exposure by using derivative instruments, principally forward foreign currency 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 US$.

Information about the Group's and the parent entity's foreign exchange contracts is provided in note 12.

At 30 June 2009, the Group had the following exposure to US$ foreign currency that is not designated in cash flow hedges.

	30 June 2009	30 June 2008
	USD	USD
	$'000	$'000
Cash at bank	**14,991**	24,071
Trade receivables	**15,766**	(592)
Net exposure	**30,757**	23,479

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date. The 5% 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 2009, 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:

Consolidated	Impact on post-tax profit		Impact on equity	
Index	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
AUD/USD +5%	**1,010**	821	**1,120**	2,636
AUD/USD -5%	**(1,246)**	(917)	**(1,238)**	(2,523)

The movements in profit are lower in 2008 mainly due to less US Dollars being held in Trade Debtors at balance sheet date. Management believes the balance sheet date risk exposures are representative of the risk exposure 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 (2008: 120 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.

	30 June 2009		30 June 2008	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$'000	%	$'000
Cash at bank and in hand	**4.9%**	28,554	5.7%	30,494
Deposits at call	**6.7%**	21,425	7.8%	80,434
Term deposits	**4.0%**	17,300	-%	-
Net exposure to cash flow interest rate risk		**67,279**		110,928

The following sensitivity is based on the interest rate risk exposures in existence at the balance sheet date. The sensitivity used is +/ 50 basis points 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.

2009		Interest rate risk			
		- 0.5%		+0.5%	
	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Consolidated					
Cash and cash equivalents	95	(10)	-	10	-
Term deposits	130	(11)	-	11	-
Parent					
Cash and cash equivalents	7	(1)	-	1	-

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2008		Interest rate risk			
		- 0.5%		+0.5%	
	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Consolidated					
Cash and cash equivalents	609	(39)	-	39	-
Parent					
Cash and cash equivalents	388	(25)	-	25	-

(c) Commodity price risk

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

The Groups 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.

To manage nickel price risk the Group deals in nickel forward sales contracts and put and call option contracts for the purposes of hedging against movement in nickel prices. The limits of hedging are set by the Board.

It is the Group's policy to enter into derivative instruments to hedge nickel price 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. For nickel price risk of both the Savannah Project and the Lanfranchi Project, the Group's policy is to hedge no more than 80% (2008: 80%) of the payable nickel forecast to be produced over a rolling two year horizon through a combination of nickel forward sales contracts and nickel put and call options, with the percentage of the combined nickel forward sales contracts and written nickel call options to be no more than 40% (of the 80% above) (2008: 40%) of the payable nickel forecast to be produced over the same rolling two year horizon.

The Group also has nickel price hedge contracts designated as cash flow hedges that are subject to fair value movements through equity as nickel prices move.

Information about the Group's and parent entity's nickel price hedge contracts is provided in note 12.

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to commodity price risk. The +/-10% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical prices for the preceding 5 year period and management's expectation of future movements.

		Price risk			
		- 10%		+10%	
Consolidated	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
2009					
Financial assets					
Accounts receivable	28,652	(4,423)	-	872	-
Derivatives - cash flow hedges	33,588	-	(4,002)	-	4,002
Total increase (decrease)		**(4,423)**	**(4,002)**	**872**	**4,002**
2008					
Financial assets					
Derivatives - cash flow hedges	14,878	205	(9,085)	(347)	9,085
Accounts receivable	17,181	(1,295)	-	3,652	-
Total increase (decrease)		**(1,090)**	**(9,085)**	**3,305**	**9,085**

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(d) 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 these is the total mark to market gain, should the counterparties not honour their obligations.

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's sales are to two major customers and believe that given these companies standing and credit worthiness credit risk is almost negligible.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk, other than the two major customers, within the Group and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

(e) Equity price risk

The Group and the parent entity are 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 Group has two investments which are in shares and unlisted options held in Joint Venture partners which are listed on the ASX. The board has not reacted to short-term price fluctuations as it has a long term view on the investment. The investment represents less than 1% (2008: 1%) of total assets and is 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 as financial year, based on the share price fluctuations of the last 12 months and management's expectation of future movements.

	-30%		+30%	
	Impact on post tax profit		Impact on equity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Consolidated				
Available-for-sale financial investment	**101**	(472)	**101**	522
Parent				
Available-for-sale financial investment	**(87)**	(472)	**86**	522

(f) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding when necesary 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 (2008: 120 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.

Financing arrangements

At reporting date, there are hedging facilities and a performance bond facility available. The performance bond facility is $8 million (2008: $4 million) with a drawdown amount at reporting date of $3.37 million (2008: $3.37 million) and $4.63 million (2008: $0.3 million) available to be used.

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity'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.

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Group - At 30 June 2009	Less than 1 year	Between 1 and 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	$'000	$'000	$'000	$'000
Non-derivatives				
Non-interest bearing	30,849	-	30,849	27,441
Fixed rate	4,839	2,488	7,327	6,578
Total non-derivatives	**35,688**	**2,488**	**38,176**	**34,019**
Derivatives				
Forward exchange call options	1,438	-	1,438	1,438
Total derivatives	**1,438**	**-**	**1,438**	**1,438**
Group - At 30 June 2008	**Less than 1 year**	**Between 1 and 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	$'000	$'000	$'000
Non-derivatives				
Non-interest bearing	31,330	-	31,330	31,330
Fixed rate	6,867	2,047	8,914	8,396
Total non-derivatives	**38,197**	**2,047**	**40,244**	**39,726**
Derivatives				
Forward exchange call options	-	-	-	-
Total derivatives	**-**	**-**	**-**	**-**
Parent - At 30 June 2009	**Less than 1 year**	**Between 1 and 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	$'000	$'000	$'000
Non-derivatives				
Non-interest bearing	2,049	-	2,049	2,049
Total non-derivatives	**2,049**	**-**	**2,049**	**2,049**
Parent - At 30 June 2008	**Less than 1 year**	**Between 1 and 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
	$'000	$'000	$'000	$'000
Non-derivatives				
Non-interest bearing	971	-	971	971
Total non-derivatives	**971**	**-**	**971**	**971**

3 Segment information

The Group operates in one business segment - nickel production, mine development and mineral exploration in one geographical area - Australia.

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4 Revenue

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Revenue				
Sale of goods	**225,123**	232,447	-	-
	225,123	232,447	-	-
Other revenue				
Interest	**3,624**	6,024	**1,299**	3,634
Dividends	**-**	-	**40,000**	-
	3,624	6,024	**41,299**	3,634
	228,747	238,471	**41,299**	3,634

5 Other income

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Foreign exchange gains (net)	**1,096**	460	-	-
Sundry income	**71**	2	-	1
TCSC recovery	**-**	-	**2,063**	2,153
	1,167	462	**2,063**	2,154

6 Expenses

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Profit (loss) before income tax includes the following specific expenses:				
Cost of production	**(113,604)**	(96,442)	-	-
Royalties	**(9,250)**	(11,390)	-	-
Depreciation - property, plant and equipment	**(12,186)**	(10,686)	-	-
Amortisation - finance lease and hire purchase assets	**(7,260)**	(5,678)	-	-
Amortisation - deferred development costs	**(27,015)**	(21,835)	-	-
Amortisation - mine properties	**(2,861)**	(2,077)	-	-
	(172,176)	(148,108)	-	-

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	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Finance costs				
Interest and finance charges paid/payable	**(508)**	(888)	**(1)**	(3)
Unwinding of discount - rehabilitation	**(250)**	(295)	**-**	-
Unwinding of discount - deferred acquisition payment	**-**	(98)	**-**	-
Facility costs	**(14)**	(106)	**(7)**	(50)
	(772)	(1,387)	**(8)**	(53)
Derivative financial instruments				
Mark to market of ineffective hedges	**-**	96	**-**	-
Fair value movement in put options	**(5,954)**	(3,600)	**-**	-
	(5,954)	(3,504)	**-**	-
Other				
Corporate and marketing costs	**(3,412)**	(3,113)	**(3,399)**	(3,113)
Employee benefit expense	**(7,030)**	(8,963)	**(6,417)**	(7,924)
Impairment of available-for-sale financial assets	**(765)**	-	**(517)**	-
Impairment of loans to controlled entities	**(266)**	-	**(10,617)**	-
Depreciation - property, plant and equipment	**(202)**	(143)	**(202)**	(143)
Net loss (gain) on disposal of property, plant and equipment	**(51)**	(65)	**-**	17
	(11,726)	(12,284)	**(21,152)**	(11,163)
Breakdown of employee benefits expense				
Salaries and wages	**(4,407)**	(5,504)	**(4,407)**	(5,504)
Payroll tax	**(255)**	(315)	**(255)**	(315)
Superannuation	**(290)**	(306)	**(290)**	(306)
Other	**(46)**	-	**(46)**	-
Share-based payments expense	**(2,032)**	(2,838)	**(1,419)**	(1,799)
	(7,030)	(8,963)	**(6,417)**	(7,924)

7 Income tax expense

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Income tax expense				
Current tax	**(1,516)**	26,094	**(2,210)**	(1,643)
Deferred tax	**6,795**	(5,110)	**116**	189
Adjustments for current tax of prior periods	**(5,494)**	(2,924)	**(214)**	(62)
	(215)	18,060	**(2,308)**	(1,516)

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit (loss) from continuing operations before income tax expense	**5,395**	71,392	**19,403**	(6,783)
Tax at the Australian tax rate of 30% (2008 - 30%)	**1,619**	21,418	**5,821**	(2,035)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
General business tax break	**(140)**	-	**-**	-
Entertainment	**10**	7	**7**	6
Foreign exploration	**186**	-	**-**	-
Sundry items	**260**	10	**266**	10
Share-based payments	**612**	852	**426**	540
Research and development	**(2,762)**	(4,227)	**-**	(37)
Dividend from subsidiary	**-**	-	**(12,000)**	-
Impairment of loans to subsidiaries	**-**	-	**3,185**	-
Adjustments for current tax of prior periods	**-**	-	**(13)**	-
Income tax (benefit) expense	**(215)**	18,060	**(2,308)**	(1,516)
(c) Amounts recognised directly in equity				
Relating to financial instruments	**(702)**	(11,824)	**-**	-
Relating to equity securities available for sale	**244**	(244)	**244**	(244)
Relating to asset revaluation reserve	**(13,394)**	-	**-**	-
Relating to capital raising	**384**	-	**384**	-
	(13,468)	(12,068)	**628**	(244)

(d) Tax consolidation legislation

The Company and its wholly-owned subsidiaries have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Panoramic Resources Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'stand alone taxpayer' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable/(receivable) to/ (from) other entities in the tax-consolidated group in conjunction with any tax-funding arrangement amounts (refer below).

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax-funding and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax-funding arrangement from 1 July 2005 which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax-funding arrangements require payments to/from the head entity equal to the current tax liability (asset)

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assumed by the head entity and any tax loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter entity receivable (payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax-funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

There is no tax sharing arrangement in place as at balance date.

8 Current assets - Cash and cash equivalents

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash at bank and in hand	**28,555**	30,493	**1,340**	5,771
Deposits at call	**21,425**	80,434	**1,307**	49,652
	49,980	110,927	**2,647**	55,423

(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 cash flow statement as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Balances as above	**49,980**	110,927	**2,647**	55,423
Balances per cash flow statement	**49,980**	110,927	**2,647**	55,423

(b) Cash at bank and on hand

Cash at bank earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate achieved for the year was 4.9% (2008: 5.7%).

(c) Deposits at call

Short-term deposits are made for varying periods of between 30 and 90 days, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average interest rate achieved for the year was 6.7% (2008: 7.8%).

(d) Fair value

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

9 Current assets - Trade and other receivables

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade receivables	**21,374**	10,028	**-**	-
Other receivables	**5,487**	5,159	**40**	76
Prepayments	**1,791**	1,994	**90**	6
	28,652	17,181	**130**	82

(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 2009 was $9.094 million (2008: ($2.277) million) and the amount of fair value changes recognised in the income statement for 2009 was ($6.817) million (2008: ($2.559) 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 exchange and interest rate risk

The balance of trade receivables is exposed to movements in United States currency exchange rates and spot commodity prices.

All trade receivables are non interest bearing in 2008 and 2009.

Information on foreign 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 value is assumed to approximate their fair value, at 30 June 2008 and 2009.

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 - Term deposits

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Term deposits	**17,300**	-	-	-

Term deposits are made for varying periods of between 90 and 180 days, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average interest rate achieved for the year was 4% (2008: nil).

11 Current assets - Inventories

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Spares for production				
- at cost	**8,123**	7,963	**-**	-
Nickel ore stocks on hand				
- at cost	**3,472**	1,081	**-**	-
Concentrates stocks on hand				
- at cost	**3,216**	2,130	**-**	-
	14,811	11,174	**-**	-

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12 Derivative financial instruments

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Current assets				
Forward commodity contracts ((a)(i))	**31,059**	5,860	**-**	-
Forward foreign exchange contracts ((a)(ii))	**-**	12,113	**-**	-
Commodity put options ((a)(i))	**-**	2,372	**-**	-
Foreign exchange put options ((a)(ii))	**11,457**	8,445	**-**	-
Total current derivative financial instrument assets	**42,516**	28,790	**-**	-
Non-current assets				
Forward commodity contracts ((a)(i))	**2,529**	12,506	**-**	-
Total non-current derivative financial instrument assets	**2,529**	12,506	**-**	-
Current liabilities				
Foreign exchange call options ((a)(ii))	**1,438**	-	**-**	-
Total derivative financial instrument liabilities	**1,438**	-	**-**	-
	43,607	41,296	**-**	-

(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 (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 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 forward and put options 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.

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	Tonnes Hedged	Average USD Price	Tonnes Hedged	Average USD Price
	30 June 2009	30 June 2009	30 June 2008	30 June 2008
		$		$
Nickel Buy Put Options				
Not later than one year	-	-	600	25,000
Nickel Fixed Forward				
Not later than one year	**2,400**	**26,780**	2,850	24,136
Later than one year	**600**	**15,268**	2,400	26,780

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.

(ii) *Foreign exchange contracts - cash flow hedges*

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

The Group has entered into foreign exchange contracts for forwards and put and written call options 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.

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	USD Hedged	Average Rate	USD Hedged	Average Rate
	30 June 2009	30 June 2009	30 June 2008	30 June 2008
	$'000	$	$'000	$
Foreign Exchange Calls				
Not later than one year	**125,270**	0.63	-	-
Foreign Exchange Puts				
Not later than one year	**125,270**	0.78	**141,000**	0.90
Fixed Forward Foreign Exchange				
Not later than one year	-	-	**51,480**	0.76

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.

(b) Risk exposures

Information about the Group's and the parent entity's exposure to credit risk, foreign 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 assets mentioned above.

13 Current assets - Current tax receivables

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Current tax receivable	**3,578**	-	**4,315**	-

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14 Non-current assets - Receivables

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Net related party receivables				
Loans to related parties	**-**	-	**130,114**	69,218
Net other receivables				
Other receivables	**1,792**	565	**-**	-
	1,792	565	**130,114**	69,218

Further information relating to loans to related parties is set out in note 33.

(a) Fair values

The fair values and carrying values of non-current receivables of the Group and Parent are as follows:

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Other receivables - Parent	**130,114**	**130,114**	69,218	69,218
Other receivables - Group	**1,792**	**1,792**	565	565

These receivables are non-interest bearing as such their carrying value is assumed to approximate their fair value.

(b) Interest rate risk

All non-current receivables are non-interest bearing in 2009 and 2008.

(c) Credit risk

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 2 for more information on the risk management policy of the Group.

15 Non-current assets - Available-for-sale financial assets

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
At beginning of year	**1,743**	2,414	**1,743**	2,414
Additions	**316**	-	**-**	-
Losses from impairment	**(765)**	-	**(517)**	-
Revaluation deficit transfer to equity	**(813)**	(671)	**(813)**	(671)
At end of year	**481**	1,743	**413**	1,743
	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Securities - listed	**481**	1,313	**413**	1,313
Securities - unlisted	**-**	430	**-**	430
	481	1,743	**413**	1,743

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

The fair value of the unlisted available-for-sale investments has been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation techniques and recorded in the balance sheet are reasonable and the most appropriate at the balance sheet date.

16 Non-current assets - Property, plant and equipment

Consolidated	Construction in progress	Plant and equipment	Leased plant & equipment	Total
	$'000	$'000	$'000	$'000
At 1 July 2007				
Cost	8,328	53,518	24,818	86,664
Accumulated depreciation	-	(26,137)	(11,275)	(37,412)
Net book amount	8,328	27,381	13,543	49,252
Year ended 30 June 2008				
Opening net book amount	8,328	27,381	13,543	49,252
Additions	15,175	6,988	7,316	29,479
Transfers between asset class	(21,889)	21,889	-	-
Disposals	-	(139)	(17)	(156)
Depreciation charge	-	(10,830)	(5,678)	(16,508)
Closing net book amount	1,614	45,289	15,164	62,067
At 30 June 2008				
Cost	1,614	82,186	32,087	115,887
Accumulated depreciation	-	(36,897)	(16,923)	(53,820)
Net book amount	1,614	45,289	15,164	62,067
Year ended 30 June 2009				
Opening net book amount	1,614	45,289	15,164	62,067
Acquisition of subsidiary	5	2,795	2,889	5,689
Additions	9,904	6,350	4,720	20,974
Transfer (to) from other asset class	(8,174)	8,174	-	-
Disposals	-	(150)	(11)	(161)
Impairment charge recognised in profit and loss	(775)	(8,568)	(621)	(9,964)
Depreciation charge	-	(12,388)	(7,260)	(19,648)
Closing net book amount	2,574	41,502	14,881	58,957
At 30 June 2009				
Cost	3,349	99,177	39,670	142,196
Accumulated depreciation	(775)	(57,675)	(24,789)	(83,239)
Net book amount	2,574	41,502	14,881	58,957

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Parent	Plant and equipment	Total
	$'000	$'000
At 1 July 2007		
Cost	1,278	1,278
Accumulated depreciation	(357)	(357)
Net book amount	921	921
Year ended 30 June 2008		
Opening net book amount	921	921
Additions	157	157
Disposals	(73)	(73)
Depreciation charge	(143)	(143)
Closing net book amount	862	862
At 30 June 2008		
Cost	1,332	1,332
Accumulated depreciation	(470)	(470)
Net book amount	862	862
Year ended 30 June 2009		
Opening net book amount	862	862
Additions	361	361
Disposals	(16)	(16)
Depreciation charge	(202)	(202)
Closing net book amount	1,005	1,005
At 30 June 2009		
Cost	1,678	1,678
Accumulated depreciation	(673)	(673)
Net book amount	1,005	1,005

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 the 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 13.4% 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 $9.964 million was recognised to reduce the carrying amount of the plant and equipment to recoverable amount. This has been recognised in the income statement.

(a) Non-current assets pledged as security

Included in the balances of plant and equipment are assets of Donegal Resources Pty Ltd over which two mortgages have been granted as security in relation to a rehabilitation bank guarantee. The terms of the mortgages preclude the assets being sold or being used as security for new finance without the permission of the mortgage holder. The mortgages also require plant and equipment that form part of the security to be fully insured at all times.

The carrying amounts of assets pledged as security for current and non-current borrowings and the bank guarantee are:

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Plant and equipment	**10,808**	45,289	**-**	-
Plant and equipment under hire purchase and finance lease	**11,081**	15,164	**-**	-
Capital works in progress	**592**	1,614	**-**	-
Net book amount	**22,481**	62,067	**-**	-

17 Non-current assets - Exploration and evaluation, development expenditure and mine properties

(a) Exploration and evaluation

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Total exploration and evaluation	**18,704**	13,068	**-**	-

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

Exploration and evaluation - reconciliation

Reconciliations of the carrying amounts of exploration and evaluation expenditure at the beginning and the end of the current and previous financial year are set out below:

Consolidated	2009	2008
	$'000	$'000
Carrying amount at start of year	13,068	6,927
Expenditure incurred during the year	3,070	6,141
Acquired through business combination	2,566	-
Carrying amount at end of year	**18,704**	**13,068**

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(b) Mine development expenditure

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cost				
Opening balance	**153,375**	119,479	-	-
Expenditure incurred	**39,825**	33,447	-	-
Acquired through business combination	**1,600**	-	-	-
Increase in rehabilitation cost capitalised	**468**	449	-	-
Closing balance	**195,268**	153,375	-	-
Accumulated amortisation and impairment				
Opening balance	**(95,116)**	(73,281)	-	-
Amortisation for the year	**(27,015)**	(21,835)	-	-
Impairment charge	**(11,426)**	-	-	-
Closing balance	**(133,557)**	(95,116)	-	-
Total development properties	**61,711**	**58,259**	**-**	**-**

(c) Mine properties

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cost				
Opening balance	**25,884**	24,373	-	-
Acquired through business combination	**24,605**	-	-	-
Revaluation of asset	**44,646**	-	-	-
Mine properties expenditure incurred	**1,933**	1,511	-	-
Closing balance	**97,068**	25,884	-	-
Accumulated amortisation and impairment				
Opening balance	**(10,282)**	(8,205)	-	-
Amortisation for the year	**(2,861)**	(2,077)	-	-
Impairment charge	**(4,892)**	-	-	-
Closing balance	**(18,035)**	(10,282)	-	-
Total mine properties	**79,033**	**15,602**	**-**	**-**

Valuation of mineral properties

On 26 May 2009, the Group acquired Brilliant Mining Corporation's wholly-owned Australian subsidiary, Donegal Resources Pty Ltd which has a 25% joint venture interest in the Lanfranchi Project. This acquisition gives rise to a business combination and the Group gaining control of the Lanfranchi Project. Pursuant to the requirements of accounting standards this has resulted in the Group recognising their existing 75% interest in the Lanfranchi Joint Venture assets at their fair values on the date they obtained control of the Lanfranchi Joint Venture. The revaluations were made by the directors on 26 May 2009 resulting in a revaluation increase of $44.646 million to the Group's 75% interest in mineral properties on the date they gained control of the Lanfranchi Joint Venture. The revaluation surplus net of applicable deferred income taxes was credited to reserves in shareholders' equity (refer note 27 for further details).

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 the 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 13.4% 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 $16.318 million was recognised to reduce the carrying amount of the mine development and the mine properties to recoverable amount. This has been recognised in the income statement.

18 Non-current assets - Deferred tax assets

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
The balance comprises temporary differences attributable to:				
Employee benefits	**1,588**	1,178	**191**	129
Provisions	**2,698**	2,161	**25**	48
Tax losses	**1,515**	-	**1,515**	-
Business related costs	**72**	-	**66**	-
Foreign exchange	**276**	-	**-**	-
Investments	**122**	-	**-**	-
Other	**14**	-	**63**	-
Total deferred tax assets	**6,285**	3,339	**1,860**	177
Set-off of deferred tax liabilities pursuant to set-off provisions (note 24)	**(6,285)**	(3,339)	**(666)**	(177)
Net deferred tax assets	**-**	-	**1,194**	-
Movements:				
Opening balance at 1 July	**3,339**	22,264	**177**	(406)
Credited/(charged) to the income statement	**2,946**	4,909	**1,683**	9
(Charged)/credited to equity	**-**	(23,834)	**-**	574
Closing balance at 30 June	**6,285**	3,339	**1,860**	177

19 Non-current assets - Other non-current assets

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash backed bonds	**262**	262	**-**	-

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20 Current liabilities - Trade and other payables

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade payables	**13,985**	13,538	**146**	508
Accrued expenses	**13,456**	15,026	**1,618**	248
Liability for annual leave	**3,408**	2,766	**285**	215
	30,849	31,330	**2,049**	971

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.

21 Current liabilities - Borrowings

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Secured				
Lease and hire purchase liabilities	2,969	5,188	-	-
Insurance finance liability	1,360	1,215	-	-
Total secured current borrowings	**4,329**	**6,403**	**-**	**-**

(a) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 23.

(b) Fair value disclosures

Details of the fair value of borrowings for the Group are set out in note 23.

(c) Security

Details of the Group's security relating to current borrowings are set out in note 23.

22 Current liabilities - Current tax liabilities

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Income tax	-	26,094	-	26,094

23 Non-current liabilities - Borrowings

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Secured				
Lease hire purchase liabilities (note 32)	**2,249**	1,993	-	-

(a) 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:

		Consolidated		Parent	
		2009	2008	2009	2008
	Notes	$'000	$'000	$'000	$'000
Plant and equipment under hire purchase and finance lease		**14,881**	15,164	**-**	-

(b) Other loans

Hire Purchase Contracts

Hire purchases have an average term of 4.5 years (2008: 4.5 years). The average discount rate implicit in the hire purchase liability is 7.4% (2008: 7.7%). Secured hire purchase liabilities are secured by a charge over the asset.

Financing facilities available

At reporting date, there is a performance bond facility available. The performance bond facility is $8 million (2008: $4 million) with a drawdown amount at reporting date of $3.37 million (2008: $3.37 million) and $4.63 million (2008: $0.3 million) available to be used.

(c) Interest rate risk exposures

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

		Fixed interest rate					
2009	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
Lease liabilities (notes 21, 23 and 32)	-	2,969	821	834	594	-	5,218
Trade and other payables (note 20)	-	-	-	-	-	27,441	27,441
Other loans (note 21)	-	1,360	-	-	-	-	1,360
	-	**4,329**	**821**	**834**	**594**	**27,441**	**34,019**
Weighted average interest rate	-%	7.5%	7.2%	7.2%	7.3%	-%	
		Fixed interest rate					
2008	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 20)	-	-	-	-	-	28,564	28,564
Lease liabilities (notes 21, 23 and 32)	-	5,188	1,950	43	-	-	7,181
Other loans (note 21)	-	1,215	-	-	-	-	1,215
	-	**6,403**	**1,950**	**43**	**-**	**28,564**	**36,960**
Weighted average interest rate	-%	7.7%	7.9%	8.4%	-%	-%	

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(d) Fair value

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

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
On-balance sheet				
Non-traded financial liabilities				
Other loans	**1,360**	**1,360**	1,215	1,215
Lease liabilities	**5,218**	**5,218**	7,181	7,181
	6,578	**6,578**	8,396	8,396

(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.

24 Non-current liabilities - Deferred tax liabilities

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
The balance comprises temporary differences attributable to:				
Financial instruments at fair value	**12,526**	11,824	**-**	-
Available-for-sale assets	**-**	244	**-**	244
Receivables	**(173)**	481	**657**	292
Prepayments	**10**	23	**9**	2
Inventories	**2,437**	2,389	**-**	-
Borrowing costs capitalised	**72**	237	**-**	-
Depreciation and amortisation	**36,620**	14,600	**-**	15
Total deferred tax liabilities	**51,492**	29,798	**666**	553
Set-off of deferred tax liabilities pursuant to set-off provisions (note 18)	**(6,285)**	(3,339)	**(666)**	(177)
Net deferred tax liabilities	**45,207**	26,459	**-**	376
Movements:				
Opening balance at 1 July	**29,798**	17,931	**553**	111
(Credited)/charged to the income statement	**8,226**	(201)	**296**	198
Charged to equity (notes 26 and 27)	**13,468**	12,068	**(628)**	244
Charged to intercompany balances	**-**	-	**445**	-
Closing balance at 30 June	**51,492**	29,798	**666**	553

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25 Non-current liabilities - Provisions

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Employee benefits - long service leave	**1,883**	1,160	**351**	216
Rehabilitation	**8,077**	6,969	**-**	-
	9,960	8,129	**351**	216

A provision for rehabilitation 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 rehabilitation of such mines in the future.

	2009	2008
	$'000	$'000
Non-current		
Carrying amount at start of year	**6,969**	6,225
- additional provisions recognised	**858**	449
- unwinding of discount	**250**	295
Carrying amount at end of year	**8,077**	6,969

26 Contributed equity

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000

(a) Share capital

Ordinary shares fully paid	**101,348**	78,424	**101,348**	78,424
Other contributed equity	**-**	-	**2,130**	2,130
	101,348	78,424	**103,478**	80,554

(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	3,638,250	3,616
	Private placement - note 41(c)	447,505	2,332
	Balance at end of year	**191,858,342**	**78,424**
1 July 2008	Opening balance	191,858,342	78,424
	Issued for consideration of business acquisition	12,000,000	22,380
	Exercise of unlisted options	129,500	160
	Adjustment on transaction costs from prior period		384
	Balance at end of year	**203,987,842**	**101,348**

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(c) Movements in share options issued over ordinary shares

Date	Details	Number of shares	Issue Price $
1 July 2007	Opening balance	**6,756,750**	
	Exercised 2007/8	**(1,000,000)**	**0.43**
	Exercised 2007/8	**(1,000,000)**	**0.93**
	Exercised 2007/8	**(200,000)**	**0.75**
	Exercised 2007/8	**(135,000)**	**0.75**
	Exercised 2007/8	**(640,750)**	**0.85**
	Exercised 2007/8	**(662,500)**	**2.20**
	Exercised 2007/8	**(47,500)**	**0.75**
	Exercised 2007/8	**(638,500)**	**0.85**
	Exercised 2007/8	**(575,000)**	**2.20**
30 June 2008	**Balance at end of year**	**1,857,500**	
	Issued 26 May 2009	**3,000,000**	**1.50**
	Exercised 2008/9	**(7,500)**	**0.75**
	Exercised 2008/9	**(7,500)**	**0.75**
	Exercised 2008/9	**(2,500)**	**0.85**
	Exercised 2008/9	**(25,000)**	**0.85**
	Exercised 2008/9	**(21,000)**	**0.85**
	Exercised 2008/9	**(28,500)**	**0.85**
	Exercised 2008/9	**(37,500)**	**2.20**
	Cancelled 2008/9	**(1,500)**	**0.85**
	Cancelled 2008/9	**(1,500)**	**0.85**
	Cancelled 2008/9	**(37,500)**	**2.20**
30 June 2009	**Balance at end of year**	**4,687,500**	

(d) Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on 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.

During 2009, the Group paid dividends of $11.515 million (2008: $36.074 mil). The Group's target dividend payments each financial year is to payout between 40-50% of net profits.

Management has no current plans to issue further shares on the market.

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 2009 was 6.5% (2008: 10.7%).

The Group has put in place a Group Cash Management Policy to ensure that up to 180 days (2008: 120 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 June 2009 this was $292,852,000 (2008: $240,132,000).

27 Reserves

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Reserves				
Mineral properties revaluation reserve, net of tax	**31,252**	-	-	-
Available-for-sale investments revaluation reserve, net of tax	-	569	-	569
Hedging reserve - cash flow hedges, net of tax	**29,228**	27,588	-	-
Share-based payments reserve	**11,094**	5,898	**11,094**	5,898
	71,574	34,055	**11,094**	6,467

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Mineral properties revaluation reserve				
Balance 1 July	-	-	-	-
Revaluation - gross(note 17(a)(c))	**44,646**	-	-	-
Deferred tax (note 24)	**(13,394)**	-	-	-
Balance 30 June	**31,252**	-	-	-
Available-for-sale investments revaluation reserve				
Balance 1 July	**569**	1,339	**569**	1,339
Devaluation - gross	**(812)**	(1,101)	**(812)**	(1,101)
Deferred tax	**243**	331	**243**	331
Balance 30 June	-	569	-	569
Hedging reserve - cash flow hedges				
Balance 1 July	**27,588**	(56,951)	-	-
Remeasurement of cash flow hedges net of tax	**39,536**	60,268	-	-
Transfer to net profit - net of tax	**(37,896)**	24,271	-	-
Balance 30 June	**29,228**	27,588	-	-
Share-based payments reserve				
Balance 1 July	**5,898**	2,972	**5,898**	2,972
Options issued to Brilliant Mining Corporation	**3,120**	-	**3,120**	-
Employee share plan expense - charged to the consolidated entity	**2,032**	2,926	**2,032**	2,926
Employee share plan expense - charged to joint venture partners	**44**	-	**44**	-
Balance 30 June	**11,094**	5,898	**11,094**	5,898

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Asset revaluation reserve

It represents the increase to fair value of the Group's existing 75% interest in the Lanfranchi Joint Venture assets on gaining control of the joint venture. The reserve can only be used to pay dividends in limited circumstances. This reserve arose as a result of the Group acquiring control of the Lanfranchi Joint Venture as part of their acquisition of Donegal Resources Pty Ltd.

Share-based payments reserve

The share-based payments reserve is used to record the value of share-based payments provided to employees, including KMP, 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.

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.

Available-for-sale invesments 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.

28 Dividends

(a) Ordinary shares

	Parent	
	2009	2008
	$'000	$'000
Final dividend for the year ended 30 June 2008 of 5 cents (2008: 12 cents) per fully paid share paid on 17 September 2008:		
Fully franked based on tax paid @ 30% - 5 cents (2008: 12 cents) per share	**9,593**	22,729
Interim dividend for the year ended 30 June 2009 of 1 cent (2008: 7 cents) per fully paid share paid 10 March 2009:		
Fully franked based on tax paid @ 30% - 1 cent (2008: 7 cents) per share	**1,922**	13,345
Total dividends provided for or paid	**11,515**	36,074

(b) Dividends not recognised at year end

	Parent	
	2009	2008
	$'000	$'000
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 2 cents per fully paid ordinary share, (2008 - 5 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid out of retained profits at 30 June 2009, but not recognised as a liability at year end, is	**4,080**	9,593

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(c) Franked dividends

The franked portions of the final dividends recommended after 30 June 2009 will be franked out of existing franking credits.

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Franking account balance as at the end of the financial year at 30% (2008 - 30%)	**26,140**	6,161	**26,140**	6,161
Franking credits that will arise from payment of income tax payable as at end of the financial year	**(4,315)**	26,094	**(4,315)**	26,094
Impact on franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as distribution to equity holders during the period	**(1,748)**	(4,111)	**(1,748)**	(4,111)
The amount of franking credits available for future reporting periods	**20,077**	28,144	**20,077**	28,144
The tax rate at which paid dividends have been franked is 30% (2008: 30%)				
Dividends proposed will be franked at the rate of 30%. (2008: 30%)				

29 Key management personnel disclosures

(a) Directors

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

(i) Chairman - non-executive

C J G de Guingand

(ii) Executive directors

P J Harold, Managing Director

(iii) Non-executive directors

C D J Langdon

J Rowe

B M Phillips

(b) Other key management personnel

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

T R Eton	Chief Financial Officer	Panaromic Resources Limited
C J Williams	General Manager Operations	Panaromic Resources Limited
T J Strong	Operations Manager	Savannah Nickel Mines Pty Ltd
S G Kelleher	Group Process Manager & Alternate Operations Manager	Savannah Nickel Mines Pty Ltd
S A Jessop	Operations Manager	Lanfranchi Nickel Mines Pty Ltd

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(c) Key management personnel compensation

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Short-term employee benefits	**3,572**	4,148	**2,427**	3,058
Post-employment benefits	**173**	226	**94**	134
Share-based payments	**1,603**	1,809	**1,551**	1,557
	5,348	6,183	**4,072**	4,749

(d) Equity instrument disclosures relating to key management personnel

(i) 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.

(ii) 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 seperately identified. All other securities relate to options.

2009							
Name	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Unvested and not exercisable	Vested and exercisable
Directors of Panoramic Resources Limited							
C J G de Guingand	-	-	-	-	-	-	-
PJ Harold - performance shares	1,500,000	-	-	-	1,500,000	1,500,000	-
C D J Langdon	-	-	-	-	-	-	-
J Rowe	-	-	-	-	-	-	-
B M Phillips	-	-	-	-	-	-	-
Other key management personnel of the Group							
T R Eton	750,000	-	-	-	750,000	-	750,000
C J Williams	100,000	-	-	-	100,000	-	100,000
S A Jessop	50,000	-	-	-	50,000	-	50,000
S G Kelleher	75,000	-	-	-	75,000	-	75,000
T J Strong	75,000	-	-	-	75,000	-	75,000
All vested options are exercisable at the end of the year.							

2008							
Name	**Balance at start of the year**	**Granted as compensation**	**Exercised**	**Other changes**	**Balance at end of the year**	**Unvested and not exercisable**	**Vested and exercisable**
Directors of Panoramic Resources Limited							
C J G de Guingand	-	-	-	-	-	-	-
P J Harold	-	-	-	-	-	-	-
P J Harold - performance shares	1,000,000	500,000	-	-	1,500,000	1,500,000	-
C D J Langdon	-	-	-	-	-	-	-
J Rowe	-	-	-	-	-	-	-
B M Philips	-	-	-	-	-	-	-
Other key management personnel of the Group							
T R Eton	950,000	-	(200,000)	-	750,000	375,000	375,000
C J Williams	200,000	-	(100,000)	-	100,000	100,000	-
S G Kelleher	150,000	-	(75,000)	-	75,000	75,000	-
T J Strong	200,000	-	(125,000)	-	75,000	75,000	-
S A Jessop	110,000	-	(60,000)	-	50,000	50,000	-

(iii) Share holdings

The number 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.

2009				
Name	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at the end of the year**
Directors of Panoramic Resources Limited				
P J Harold	3,640,785	-	(33,320)	3,607,465
C J G de Guingand	160,366	-	(10,000)	150,366
C D J Langdon	85,000	-	-	85,000
J Rowe	10,000	-	-	10,000
B M Phillips	10,000	-	-	10,000
Other key management personnel of the Group				
Ordinary shares				
T R Eton	200,000	-	-	200,000
T J Strong	188,000	-	-	188,000
S G Kelleher	75,000	-	-	75,000
C J Williams	180,000	-	-	180,000
S A Jessop	60,000	-	21,800	81,800

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2008				
Name	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at the end of the year**
Directors of Panoramic Resources Limited				
P J Harold	4,240,785	-	(600,000)	3,640,785
C J G de Guingand	140,366	-	20,000	160,366
C D J Langdon	95,000	-	(10,000)	85,000
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	300,000	200,000	(300,000)	200,000
T J Strong	75,000	125,000	(12,000)	188,000
S G Kelleher	-	75,000	-	75,000
C J Williams	100,000	100,000	(20,000)	180,000
S A Jessop	-	60,000	-	60,000

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 (Non-Executive Chairman) is a Director of Mineral Commerce Services Pty Ltd which, during the year was paid $188,000 (2008: $129,000) by shiping owners, Spliethoff (Amsterdam), for shipping brokerage services provided to the Group on normal commercial terms and conditions

Mr J Rowe is Director of John Rowe Consulting Pty Ltd which during the year was paid $65,000 (2008: $68,000) for geological consulting services based on normal commercial terms and conditions.

The above transactions are not included in the remuneration report disclosed in the Directors' Report.

30 Remuneration of auditors

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Amounts received or due and receivable by Ernst & Young for:				
Audit and review of financial reports of the Company and other entity of the consolidated entity	**214,202**	268,378	**62,475**	73,867
Other services in relation to the Company and any other entity in the consolidated entity				
Other	**43,033**	8,510	**43,033**	6,450
Tax compliance services	**134,183**	58,158	**92,183**	23,613
	391,418	335,046	**197,691**	103,930

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31 Business combination

(a) Summary of acquisition

On 26 May 2009, the Group acquired Brilliant Mining Corporation's wholly-owned Australian subsidiary, Donegal Resources Pty Ltd which has a 25% joint venture interest in the Lanfranchi Project. The Group as at reporting date owns 100% of the Lanfranchi Project.

The acquired business contributed revenues of $2,150,000 and net profit of $331,000 to the Group for the period from 26 May 2009 to 30 June 2009 . If the acquisition had occurred on 1 July 2008, consolidated revenue and consolidated loss for the year ended 30 June 2009 would have been $247,129,000 and ($862,000) respectively.

Details of the fair value of the assets and liabilities acquired are as follows:

	$'000
Purchase consideration (refer to (b) below):	
Cash paid	1,616
Fair value of shares issued (note 26b)	22,380
Fair value of options issued (note 26c)	3,120
Direct costs relating to the acquisition	1,767
Net receivables from Donegal at the date of acquisition	2,108
Total purchase consideration	**30,991**
Fair value of net identifiable assets acquired (refer to (c) below)	**30,991**

(b) Cash flow information

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash consideration paid	**1,616**	-	-	-
Less: Balances acquired				
Cash	**1,117**	-	-	-
Outflow of cash	**499**	**-**	**-**	**-**

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(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	$'000	$'000
Cash	1,117	1,117
Trade and other receivables	11,799	313
Prepayments	207	207
Inventories	614	613
Plant and equipment	5,689	5,689
Development properties	1,600	1,600
Exploration and evaluation	2,567	2,567
Mine properties	9,725	24,605
Trade payables	(29,434)	(3,401)
Provision	(740)	(740)
Interest-bearing liabilities	(3,284)	(842)
Provision for income tax payable	-	(737)
Net assets	**(140)**	**30,991**

As at reporting date, amounts disclosed above are provisional. Amounts are anticipated to be impacted by the finalisation of any deferred tax effect as a result.

32 Commitments

(a) Capital commitments

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Capital expenditure commitments:				
Not later than one year	**16,468**	21,860	-	-
	16,468	21,860	-	-
Mineral tenements expenditure commitments:				
Not later than one year	**2,301**	1,345	-	-
Later than one year but not later than five years	**6,261**	6,081	-	-
Later than five years	**8,689**	8,172	-	-
	17,251	15,598	-	-

Hire purchase and finance lease rental commitments

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

	2009		2008	
	Minimum lease payments	Present value of lease payments	Minimum lease payments	Present value of lease payments
	$'000	$'000	$'000	$'000
(i) Hire purchase:				
Within one year	**3,214**	3,155	**5,523**	5,299
Later than one year but not later than five years	**2,488**	2,063	**2,071**	1,882
	5,702	5,218	**7,594**	7,181
Less future hire purchase finance charges	**(484)**	-	**(413)**	-
Commitments recognised in the financial statements	**5,218**	5,218	**7,181**	7,181
The weighted average interest rate implicit in the hire purchase for the Group is 7.4% (2008: 7.7%).				
(ii) Finance lease				
Within one year	**-**	-	**26**	26
Later than one year but not later than five years	**-**	-	**-**	-
Minimum lease payments	**-**	-	**26**	26
Less future finance charges	**-**	-	**-**	-
Commitments recognised in the financial statements	**-**	-	**26**	26

(b) Operating lease commitments as lessee

(i) Power Supply

The diesel powered power station at the Savanah 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".

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 on 1 December 2013.

Future minimum rentals payable under non-cancellable operating leases at 30 June 2009 are as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Within one year	**603**	278	**603**	278
Later than one year and not later than five years	**2,059**	1,038	**2,059**	1,038
	2,662	1,316	**2,662**	1,316

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(c) Remuneration commitments

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Commitments for the payment of salaries and other remuneration of key management personnel under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:				
Within one year	**701**	486	**439**	413

33 Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in note 34.

(b) Transactions with related parties

The following transactions occurred with related parties:

During the year the Parent charged the subsidiaries $2.063 million (2008: $2.153 million) in relation to technical commercial services charges (TCSC) incurred on their behalf.

During the year, the Parent accrued dividend income of $40 million (2008: nil) from certain subsidiaries.

During the year, Cherish Metals Pty Ltd (Cherish) acquired Donegal Resources Pty Ltd and the Parent paid costs in relation to the acquisition of $1.767 million on Cherish's behalf. Further the Parent issued shares and options at fair value of $22.380 million and $3.120 million respectively to Brilliant Mining Corporation (BMC) which forms part of the total consideration paid to BMC on Cherish's behalf.

During the year, tax balances transferred to certain subsidiaries amount to $6.790 million.

(c) Loans to/from related parties

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Loans to subsidiaries				
Cherish Metals Pty Ltd	**-**	-	**74,303**	34,119
Savannah Nickel Mines Pty Ltd	**-**	-	**46,035**	26,062
Pindan Exploration Company	**-**	-	**1,647**	166
Copernicus Nickel Mines Pty Ltd	**-**	-	**1,063**	1,537
SMY Copernicus Pty Ltd	**-**	-	**5,626**	5,764
Lanfranchi Nickel Mines Pty Ltd	**-**	-	**1,440**	1,570
	-	-	**130,114**	69,218

Terms and conditions of transactions with related parties

Non-current outstanding balances at year end are unsecured, interest free and repayable on demand. The Directors of the Company do not envisage that any demand for repayment will be made in the near future.

Notes to the financial statements

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34 Subsidiaries

The consolidated financial statements include the financial statements of Panoramic Resources Limited and the subsidiaries listed in the following table.

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2009	2008
			%	%
Cherish Metals Pty Ltd*	Australia	Ordinary	100	100
Savannah Nickel Mines Pty Ltd	Australia	Ordinary	100	100
Pindan Exploration Company Pty Ltd (formerly Sally Malay Exploration Pty Ltd)	Australia	Ordinary	100	100
SMY Copernicus Pty Ltd**	Australia	Ordinary	100	100
Copernicus Nickel Mine Pty Ltd	Australia	Ordinary	60	60
Donegal Resources Pty Ltd	Australia	Ordinary	100	-
Donegal Lanfranchi Pty Ltd	Australia	Ordinary	100	-
Lanfranchi Nickel Mine Pty Ltd	Australia	Ordinary	100	75

* 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).

** 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 (60%) and Thundelarra Exploration Ltd (40%).

35 Deed of cross guarantee

Pursuant to Class Order 98/1418, relief has been granted to Savannah Nickel Mines 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 if 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 have joined as parties to the Deed of Cross Guarantee. As at reporting date, the "Closed Group" comprise of Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd.

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2009 of the Closed Group consisting of Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd (2008: Panoramic Resources Limited and Savannah Nickel Mines Pty Ltd).

	2009	2008
	$'000	$'000
Consolidated income statement		
Profit from continuing operations before income tax	**11,587**	39,971
Income tax (benefit) expense	**(7,584)**	9,995
Profit for the year	**19,171**	29,976
Retained earnings at the beginning of the financial year	**118,296**	96,919
Net profit for the period	**19,171**	29,976
Dividends provided for or paid	**(11,515)**	(36,074)
Retained profits at the end of the financial year	**125,952**	90,821

Notes to the financial statements

30 June 2009

(a) Balance sheet

Set out below is a consolidated balance sheet as at 30 June 2009 of the Closed Group consisting of Panoramic Resources Limited, Savannah Nickel Mines Pty Ltd, Cherish Metals Pty Ltd and Donegal Resources Pty Ltd (2008: Panoramic Resources Limited and Savannah Nickel Mines Pty Ltd).

	2009	2008
	$'000	$'000
Current assets		
Cash and cash equivalents	**49,617**	84,136
Term deposits	**17,300**	-
Trade and other receivables	**30,368**	5,115
Inventories	**14,197**	8,846
Derivatives	**42,516**	13,081
Current tax receivables	**5,481**	-
Total current assets	**159,479**	111,178
Non-current assets		
Receivables	**9,297**	44,499
Available-for-sale investments	**413**	1,742
Deferred tax assets	**-**	530
Property, plant and equipment	**58,716**	43,935
Deferred exploration and evaluation expenditure	**14,838**	2,629
Development expenditure	**137,801**	34,087
Derivatives	**2,529**	6,253
Total non-current assets	**223,594**	133,675
Total assets	**383,073**	**244,853**
Current liabilities		
Trade and other payables	**30,764**	16,194
Interest-bearing loans and borrowings	3,685	4,046
Derivatives	1,438	-
Current tax liabilities	-	26,094
Total current liabilities	35,887	46,334
Non-current liabilities		
Interest-bearing loans and borrowings	2,893	1,102
Deferred tax liabilities	35,936	-
Provisions	9,483	6,694
Total non-current liabilities	48,312	7,796
Total liabilities	**84,199**	**54,130**
Net assets	**298,874**	**190,723**
Equity		
Contributed equity	101,348	80,554
Reserves	71,574	19,348
Retained profits	125,952	90,821
Total equity	**298,874**	**190,723**

36 Interests in joint ventures

The Group has a 60% (2008: 60%) interest in the unincorporated Copernicus Joint Venture, which is involved with the exploration, evaluation, development and production of mineral deposits in the Kimberley region of Western Australia.

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

	Consolidated	
	2009	2008
	$'000	$'000
Current assets	**2,123**	508
Non-current assets	**1,238**	2,484
Total assets	**3,361**	2,992
Current liabilities	**40**	899
Non-current liabilities	**2,463**	2,106
Total liabilities	**2,503**	3,005
Net assets	**858**	**(13)**

	Consolidated	
	2009	2008
	$'000	$'000
Revenues	**22**	-
Expenses	**(8,555)**	(8)
Loss before income tax	**(8,533)**	**(8)**

Contingencies and committments

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

37 Events occurring after the balance sheet date

On 30 July 2009, BHP Billiton Nickel West Pty Ltd exercised its option to extend the 2004 Tramways Ore Tolling and Concentrate Purchase Agreement on the same terms and conditions for a further nine years from 27 February 2010.

On 26 August, 2009, the Directors resolved to declare a fully franked final dividend of 2.0 cents per share in respect of the year ended 30 June 2009.

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 financial statements

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38 Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Profit (loss) for the year	**5,610**	53,332	**21,711**	(5,267)
Depreciation property, plant and equipment	**12,386**	10,830	**202**	143
Amortisation of finance lease and hire purchase assets	**7,260**	5,678	**-**	-
Amortisation of deferred development costs	**27,015**	21,835	**-**	-
Amortisation of mine properties	**2,861**	2,077	**-**	-
Interest income	**(3,624)**	(6,024)	**(1,299)**	(3,634)
Fair value adjustment to derivatives	**5,954**	3,504	**-**	-
Non-cash employee benefits expense - share-based payments	**2,032**	2,838	**1,419**	1,798
Impairment of assets	**26,285**	-	**-**	-
Dividend income	**-**	-	**(40,000)**	-
Net (loss) profit on sale of non-current assets	**51**	65	**-**	(16)
Fair value adjustment to available-for-sale financial assets	**765**	-	**517**	-
Fair value adjustment to other financial asset	**266**	-	**10,617**	-
(Increase) decrease in trade debtors and others	**(19,655)**	(658)	**36**	1,009
Decrease (increase) in prepayments	**2,664**	526	**(84)**	50
(Decrease) increase in trade payables and others	**(4,145)**	(4,091)	**1,077**	249
Increase in inventories	**(3,023)**	(1,658)	**-**	-
(Increase) decrease in other operating assets	**(8,442)**	4,125	**-**	(430)
Increase in other provisions	**709**	889	**135**	72
Increase in deferred tax assets	**-**	4,332	**-**	-
Increase (decrease) in deferred tax liabilities	**6,939**	(9,441)	**575**	-
(Decrease) increase in provision for income taxes payable	**(32,029)**	1,658	**(27,796)**	(23,027)
Net cash inflow/(outflow) from operating activities	**29,879**	89,817	**(32,890)**	(29,053)

39 Non-cash investing and financing activities

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Acquisition of plant and equipment under hire purchase and finance leases	**(4,720)**	(7,316)	**-**	-
Shares issued as part of an acquisition of subsidiary	**22,380**	-	**22,380**	-
Options issues as part of acquisition of a subsidiary	**3,120**	-	**3,120**	-
Private placement of ordinary shares at nil consideration - note 41(c)	**-**	2,332	**-**	-
	20,780	(4,984)	**25,500**	-

40 Earnings per share

(a) Basic earnings per share

	Consolidated	
	2009	2008
	Cents	Cents
Profit from continuing operations attributable to the ordinary equity holders of the company	**2.9**	28.4
Profit attributable to the ordinary equity holders of the company	**2.9**	28.4

(b) Diluted earnings per share

	Consolidated	
	2009	2008
	Cents	Cents
Profit from continuing operations attributable to the ordinary equity holders of the company	**2.8**	27.3
Profit attributable to the ordinary equity holders of the company	**2.8**	27.3

(c) Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2009	2008
	$'000	$'000
Basic earnings per share		
Profit from continuing operations	**5,610**	53,332
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**5,610**	53,332
Diluted earnings per share		
Profit from continuing operations	**5,610**	53,332
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**5,610**	53,332

(d) Weighted average number of shares used as the denominator

	Consolidated	
	2009	2008
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	**193,082,509**	187,593,111
Effect of dilution:		
Share options	**4,687,500**	7,469,710
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**197,770,009**	195,062,821

Since balance date, no share and option movements have occurred.

Notes to the financial statements

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41 Share-based payments

(a) Employee Option Plan

An employee share option plan was established on 24 August 2004 where the Company, at the discretion of management, granted options over the ordinary shares of Panoramic Resources Limited to certain full time employees of the consolidated entity. The options were issued for nil consideration and do not provide dividend or voting rights until exercised. The options were issued for a term of 4 years and are exercisable over various future dates as detailed below. The options cannot be transferred without director approval and are not quoted on the ASX. Employees are able to apply for 30 day financing terms at market interest rates in order to exercise options that have vested. Options vest when the employee completes service with the Company after the vesting date. Each issued option when exercised will convert to one ordinary share.

Set out below are the summaries of options granted under the plan:

Grant Date	Vesting date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of the year
				Number	Number	Number	Number	Number	Number	Number
Consolidated and parent - 2009										
16/06/05	20/09/05	20/09/08	$0.75	7,500	-	(7,500)	-	-	-	-
16/06/05	20/09/06	20/09/08	$0.75	7,500	-	(7,500)	-	-	-	-
08/05/06	20/09/06	20/09/08	$0.85	2,500	-	(2,500)	-	-	-	-
08/05/06	20/09/07	20/09/08	$0.85	25,000	-	(25,000)	-	-	-	-
12/07/06	20/09/06	20/09/08	$0.85	22,500	-	(21,000)	(1,500)	-	-	-
12/07/06	20/09/07	20/09/08	$0.85	30,000	-	(28,500)	(1,500)	-	-	-
22/01/07	30/11/07	31/12/10	$2.20	562,500	-	-	-	-	562,500	562,500
22/01/07	30/11/08	31/12/10	$2.20	1,200,000	-	(37,500)	-	(37,500)	1,125,000	1,125,000
Total				**1,857,500**	**-**	**(129,500)**	**(3,000)**	**(37,500)**	**1,687,500**	**1,687,500**
Weighted average exercise price				$2.13	$-	$1.23	$0.85	$2.20	$2.20	$2.20
Consolidated and parent - 2008										
24/08/04	31/12/05	24/08/08	$0.75	200,000	-	(200,000)	-	-	-	-
02/12/04	20/09/05	20/09/08	$0.75	25,000	-	(25,000)	-	-	-	-
02/12/04	20/09/06	20/09/08	$0.75	30,000	-	(30,000)	-	-	-	-
28/01/05	20/09/05	20/09/08	$0.75	25,000	-	(25,000)	-	-	-	-
28/01/05	20/09/06	20/09/08	$0.75	25,000	-	(25,000)	-	-	-	-
16/06/05	20/09/05	20/09/08	$0.75	7,500	-	-	-	-	7,500	7,500
16/6/05	20/09/06	20/09/08	$0.75	7,500	-	-	-	-	7,500	7,500
08/05/06	20/09/06	20/09/08	$0.85	65,000	-	(62,500)	-	-	2,500	2,500
08/05/06	20/09/07	20/09/08	$0.85	260,000	-	(235,000)	-	-	25,000	25,000
12/07/06	20/09/06	20/09/08	$0.85	110,000	-	(87,500)	-	-	22,500	22,500
12/07/06	20/09/07	20/09/08	$0.85	315,750	-	(285,750)	-	-	30,000	30,000
22/01/07	30/11/07	31/12/10	$2.20	1,225,000	-	(662,500)	-	-	562,500	562,500
22/01/07	30/11/08	31/12/10	$2.20	1,225,000	-	-	-	(25,000)	1,200,000	-
Total				**3,520,750**	**-**	**(1,638,250)**	**-**	**(25,000)**	**1,857,500**	**657,500**
Weighted average exercise price				$1.78	$-	$1.38	$-	$2.20	$2.13	$2.00

Notes to the financial statements

During the year ended 30 June 2009, 37,500 options were forfeited (2008: 25,000 options)

The weighted average share price at the date of the exercise of options exercised during the year ended 30 June 2009 was $1.23 (2008: $1.38).

Fair value options granted

Grant Date	Vested date	Fair Value/option	Options	Fair Value
		$		$
24 Aug 2004	31 Dec 2004	0.31	100,000	31,000
24 Aug 2004	31 Dec 2005	0.31	100,000	31,000
2 Dec 2004	20 Sep 2006	0.46	55,000	25,300
28 Jan 2005	20 Sep 2005	0.40	28,750	11,457
28 Jan 2005	20 Sep 2006	0.40	21,250	8,468
16 Jun 2005	20 Sep 2005	0.34	15,000	5,100
8 May 2006	20 Sep 2006	0.72	162,500	117,130
8 May 2006	20 Sep 2007	0.72	162,500	117,130
12 Jul 2006	20 Sep 2006	0.66	206,625	135,897
12 Jul 2006	20 Sep 2007	0.66	206,625	135,897
22 Jan 2007	30 Nov 2007	1.17	1,112,500	1,296,953
22 Jan 2007	30 Nov 2008	1.17	1,112,500	1,296,953

The fair value of each option is estimated on the date of grant using a Black-Scholes option-pricing model with the following assumptions used for grants made on the following dates:

	Dividend yield	Expected Volatility	Historical Volatility	Risk free rate	Expected life
	%	%	%	%	yrs
24/08/2004	0.00	46	46	5.59	3.45
2/12/2004	0.00	46	46	5.25	2.76
28/01/2005	0.00	46	46	5.40	3.08
16/06/2005	0.00	46	46	5.28	3.26
8/05/2006	0.00	49	49	5.70	2.37
12/07/2006	0.00	42	42	5.88	2.19
22/01/2007	0.00	47	47	6.55	3.86

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

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(b) Performance Shares

Managing Director's Long Term Share Plan (LTSP)

Under the Managing Director's Long Term Share Plan (LTSP), Peter Harold will be entitled to be issued a maximum of 1,000,000 shares in the Company for no consideration at the conclusion of his four year contract (31 December 2009), dependent upon the performance of the Company relative to a group of selected peers over a three and a half year period commencing on 1 July 2006 and ending on 31 December 2009 (Performance Period). The peer group comprises those companies within the S&P / ASX 300 Metals & Mining Index. 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 under the LTSP 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 and further provided that the Company's TSR over that period exceeds a rate of 5% per annum compounded. At the 50th percentile, Peter Harold will be entitled to 50% of the LTSP shares, increasing proportionately to 100% at the 65th percentile.

The performance shares granted under the plan are as follow:

1,000,000 performance shares were granted on 30/11/2006

- Vesting date 31/12/2009
- Expiry date 30/11/2011

Employee Share Plan (ESP)

An employee share plan was established in 2008, at the discretion of management, 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 over a three year period commencing 1 January 2008 and ending on 31 December 2010 (Performance Period). The peer group comprises those companies within the S&P / ASX 300 Metals & Mining Index. The peer group is ranked in terms of 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 consolidatios of capital. Shares will be allotted to employees provided that the TSR ranking of the Company at the end of the Performance Period is at or above 50th percentile of the peer group. At the 50th percentile, employees will be entitled to 50% of the ESP shares, increasing proportionately to 100% at the 75th percentile.

The performance shares granted under the plan are as follow:

1,484,800 performance shares were granted on 01/01/2008

- Vesting date 31/12/2010
- Expiry date 31/12/2013
- Forfeited shares during the year 63,000
- Remaining shares on issue at balance date 1,421,800

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 2008 are:

	Employee Share Plan (ESP)	Managing Director's Long Term Share Plan (LTSP)
Shares issued under the plan	**1,484,800**	1,000,000
Grant date	**01/01/2008**	30/11/2006
Vesting date	**31/12/2010**	31/12/2009
Share price at grant date	**$5.35**	$2.00
Risk free rate	**6.59%**	5.80%
Dividend yield	**3.50%**	0.00%
Volatility	**56%**	47%
Fair value of per performance share	**$3.57**	$1.65

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.

(c) 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:

Options issued under employee option plan including $535,000 (2008:$1,008,000) of performance shares amount to $2,032,000 (2008: $2,838,000)

Separate Co-Existence Agreements were signed on 14 November 2007 by the Company and the other 40% joint venturer in the Copernicus Project, together with East Kimberley Purnululu and Malarngowen People, the Traditional Owners residing in Warmun in relation to long term benefits that will flow to all parties as consequence of mining on the Savannah and Copernicus mineral leases. Pursuant to the terms of agreement, 447,505 fully paid odinary shares were issued to the Traditional Owners at no consideration on the 6th of February 2008 in lieu of net smelter return (NSR) based royalties for the 2005 and 2006 financial years. The market value of these shares at grant date amounted to $2,332,000. This amount was capitalised and recognised in the balance sheet as at reporting date.

Pursuant to the terms of the Donegal Resources Pty Ltd Share Sale and Purchase Agreement (note 29),12,000,000 fully paid ordinary shares and 3,000,000 unlisted options were issued on the 26th of May 2009. The market value of these shares at grant date amounted to $22.380 million and $3.120 million respectively. These amounts were capitalised and recognised in the balance sheet as at reporting date.

42 Contingencies

(a) Contingent liabilities

The parent entity and Group had contingent liabilities at 30 June 2009 in respect of:

The Company has in place a bank guarantee with a financial institution with a face value of $210,000 (2008: $210,000) in respect to the leasing of the office space in the Perth CBD.

Controlled entities

Under the terms of Deeds of Cross Guarantees 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 regard 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 $5,218,000 (2008: $4,324,000).

The Company has guaranteed the bank facilities of controlled entities.

The Company has guaranteed the rehabilitation bank guarantee of Donegal Resources Pty Ltd with a financial institution for $162,500 (2008: nil).

Other persons

The Company has entered into agreements with directors and executives of the Company for termination benefits on loss of office of $937,400 (2008: $680,000).

(b) Contingent assets

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

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 22 September 2009

Name of Shareholder	Total Number of Voting Shares in Panoramic Resources Limited in which the Substantial Shareholder and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
J P Morgan Nominees Australia Limited	52,275,343	25.63
ANZ Nominees Limited <Cash Income A/C>	26,538,342	13.01
HSBC Custody Nominees (Australia) Limited	25,856,106	12.68
National Nominees Limited	19,201,701	9.41
Brilliant Mining Corp.	12,000,000	5.88

Class of Shares and Voting Rights

At 22 September 2009, there were 5,953 holders of 203,987,842 ordinary fully paid 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 22 September 2009, the number of parcels of shares with a value of less than $500 was 333.

Distribution of Shareholders

As at 22 September 2009

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1-1,000	1,919	1,178,583
1,001-5,000	2,535	7,186,553
5,001-10,000	785	6,424,813
10,001-100,000	657	17,032,047
100,001-and over	57	172,165,846
Total:	**5,953**	**203,987,842**

Additional Shareholder Information

Listing of 20 Largest Shareholders

As at 22 September 2009

Name of Ordinary Shareholder		Number of Shares Held	Percentage of Shares Held
1	J P Morgan Nominees Australia Limited	52,275,343	25.63
2.	ANZ Nominees Limited <Cash Income A/C>	26,538,342	13.01
3.	HSBC Custody Nominees (Australia) Limited	25,856,106	12.68
4.	National Nominees Limited	19,201,701	9.41
5.	Brilliant Mining Corp.	12,000,000	5.88
6.	Citicorp Nominees Pty Limited	5,175,449	2.54
7.	Cogent Nominees Pty Ltd	3,453,209	1.69
8.	UBS Nominees Pty Ltd	2,800,543	1.37
9.	AMP Life Limited	2,648,878	1.30
10.	Winton Vale Pty Ltd <Harold Super Fund A/C>	2,585,785	1.27
11.	Citicorp Nominees Pty Limited <CFS Developing Companies A/C>	1,768,831	0.87
12.	Citicorp Nominees Pty Limited <CFSIL CFS WS Small Comp A/C>	1,756,273	0.86
13.	Cogent Nominees Pty Limited <SMP Accounts>	1,722,794	0.84
14.	NK WA Pty Ltd <NK Unit A/C>	1,500,000	0.74
15.	Queensland Investment Corporation	1,279,010	0.63
16.	Australian Reward Investment Alliance	1,217,230	0.60
17.	RBC Dexia Investor Services Australia Nominees Pty Limited<GSJBW A/C>	1,203,448	0.59
18.	Citicorp Nominees Pty Ltd <Cwlth Bank Off Super A/C>	816,455	0.40
19.	Mr Peter John Harold & Ms Ariane Harold <Allnutt Ventures Family A/C>	645,000	0.32
20.	Pan Australian Nominees Pty Limited	605,390	0.30
Total:		**165,049,787**	**80.91**

Unquoted Equity Securities

As at 22 September 2009

Securities	Number of Securities	Exercise Price $	Expiry Date	Number of Holders
Options	1,687,500	2.20	31 December 2010	19
Options	3,000,000	1.50	31 December 2012	1

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 30 September 2009

Project	Tenement	Licence Type	Status	Approval Date	Expiry Date	Area (ha)	Equity (%)	Tenement Manager	Panoramic Resources Commitment	Current Registered Tenement Holder(s)
Copernicus	L80/52	Infrastructure	Granted	20-March-2008	19-March-2029	140	60%	PanRes	60% all rights -60% Rents & Rates	SMY Copernicus Pty Ltd
Copernicus	M80/540	Mining	Granted	08-January-2008	07-January-2029	120	60%	PanRes	60% all rights -60% Rents & Rates	Thundelarra Exploration Ltd
Cowan Ni Project	E15/740	Exploration	Granted	16-August-2004	15-August-2009	600	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/821	Exploration	Granted	15-April-2005	14-April-2010	1200	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/822	Exploration	Granted	17-November-2004	16-November-2009	1200	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/828	Exploration	Granted	17-November-2004	16-November-2009	7800	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/829	Exploration	Granted	06-August-2004	05-August-2009	900	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/838	Exploration	Granted	28-September-2004	27-September-2009	2100	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/860	Exploration	Granted	01-July-2005	30-June-2010	300	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E15/932	Exploration	Granted	04-March-2008	03-March-2013	4200	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E63/1064	Exploration	Granted	06-September-2007	05-September-2012	6600	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Resources Ltd
Cowan Ni Project	E63/1071	Exploration	Granted	04-February-2008	03-February-2013	13800	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	E63/873	Exploration	Granted	21-December-2004	20-December-2009	3300	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/1790	Mining	Applic			623	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Chalice Gold Mines Ltd
Cowan Ni Project	M15/338	Mining	Granted	14-March-1988	13-March-2030	129	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/352	Mining	Granted	02-May-1988	01-May-2030	23	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/375	Mining	Granted	22-April-1998	21-April-2030	397	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/507	Mining	Granted	07-May-1990	06-May-2011	480	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/580	Mining	Granted	01-August-1991	31-July-2012	962	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/581	Mining	Granted	01-August-1991	31-July-2012	480	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/620	Mining	Granted	20-October-1992	19-October-2013	120	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/629	Mining	Granted	20-October-1992	19-October-2013	120	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/639	Mining	Granted	25-January-1993	24-January-2014	847	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/640	Mining	Granted	25-January-1993	24-January-2014	726	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/642	Mining	Granted	25-January-1993	24-January-2014	963	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/680	Mining	Granted	01-March-1994	28-February-2015	686	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/681	Mining	Granted	01-March-1994	28-February-2015	943	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/682	Mining	Granted	30-March-1994	29-March-2015	876	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/683	Mining	Granted	01-March-1994	28-February-2015	815	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/684	Mining	Granted	01-March-1994	28-February-2015	815	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/685	Mining	Granted	01-March-1994	28-February-2015	837	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd

Schedule of Tenements

As at 30 September 2009

Project	Tenement	Licence Type	Status	Approval Date	Expiry Date	Area (ha)	Equity (%)	Tenement Manager	Panoramic Resources Commitment	Current Registered Tenement Holder(s)
Cowan Ni Project	M15/786	Mining	Granted	27-April-1995	26-April-2016	954	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/815	Mining	Granted	08-January-1997	07-January-2018	948	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/817	Mining	Granted	23-September-1996	22-September-2017	919	100% Ni Rights only	Avoca	100% Ni Rights-20% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	M15/820	Mining	Granted	19-August-1996	18-August-2017	968	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/4647	Prospecting	Applic			174	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Uranium Equities Ltd
Cowan Ni Project	P15/4671	Prospecting	Granted	13-October-2005	12-October-2009	107	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/4808	Prospecting	Granted	11-February-2008	10-February-2012	2	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/4809	Prospecting	Granted	11-February-2008	10-February-2012	134	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/4844	Prospecting	Granted	04-March-2008	03-March-2012	2	100% Ni Rights only	Avoca	100% Ni Rights-50% Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5414	Prospecting	Applic			200	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5416	Prospecting	Applic			184	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5417	Prospecting	Applic			190	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5418	Prospecting	Applic			193	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5419	Prospecting	Applic			196	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5425	Prospecting	Applic			196	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5426	Prospecting	Applic			199	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5427	Prospecting	Applic			178	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5428	Prospecting	Applic			188	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5429	Prospecting	Applic			147	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5431	Prospecting	Applic			58	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5432	Prospecting	Applic			30	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5433	Prospecting	Applic			196	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5434	Prospecting	Applic			33	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5444	Prospecting	Applic			70	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5445	Prospecting	Applic			185	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P15/5446	Prospecting	Applic			181	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P63/1732	Prospecting	Applic			199	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P63/1733	Prospecting	Applic			192	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P63/1785	Prospecting	Applic			194	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
Cowan Ni Project	P63/1787	Prospecting	Applic			158	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd

Schedule of Tenements

As at 30 September 2009

Project	Tenement	Licence Type	Status	Approval Date	Expiry Date	Area (ha)	Equity (%)	Tenement Manager	Panoramic Resources Commitment	Current Registered Tenement Holder(s)
Cowan Ni Project	P63/1788	Prospecting	Applic			182	100% Ni Rights only	Avoca	100% of Ni Rights - 100% of Rents & Rates	Avoca Mining Pty Ltd
EKJV	E80/2290	Exploration	Granted	24-June-1998	23-June-2009	6900	Earming 49%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 50/100 Kimberley Mining Pty Ltd 50/100
EKJV	E80/2559	Exploration	Granted	06-March-2003	05-March-2010	1200	Earming 49%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 80/100 Hawthorn Resources Limited 20/100
EKJV	E80/2601	Exploration	Granted	29-July-2002	28-July-2009	2400	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/2607	Exploration	Granted	23-May-2002	22-May-2009	2400	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2716	Exploration	Granted	08-February-2002	07-February-2009	3600	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/2748	Exploration	Granted	15-January-2003	14-January-2010	12900	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2749	Exploration	Granted	15-August-2003	14-August-2010	11400	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2817	Exploration	Granted	04-March-2003	03-March-2011	2100	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2835	Exploration	Granted	07-October-2002	06-October-2009	600	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2865	Exploration	Granted	07-October-2002	06-October-2009	1200	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2866	Exploration	Granted	16-May-2003	15-May-2009	2100	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/2878	Exploration	Granted	13-December-2004	12-December-2009	5400	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/3499	Exploration	Granted	24-July-2006	23-July-2011	3900	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/3525	Exploration	Granted	22-August-2006	21-August-2011	1800	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/3673	Exploration	Granted	05-February-2007	04-February-2012	4500	Earming 55%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/3704	Exploration	Granted	08-August-2007	07-August-2012	11700	Earming 60%	PanRes	100% or Commit, Rents & Rates	Altia Resources Pty Ltd
EKJV	E80/3705	Exploration	Granted	08-August-2007	07-August-2012	6000	Earming 60%	PanRes	100% or Commit, Rents & Rates	Altia Resources Pty Ltd
EKJV	E80/3858	Exploration	Granted	30-January-2008	29-January-2013	1200	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/3861	Exploration	Granted	30-January-2008	29-January-2013	3300	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/3873	Exploration	Granted	08-April-2008	07-April-2013	1800	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/3876	Exploration	Granted	08-April-2008	07-April-2013	300	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/3877	Exploration	Granted	08-April-2008	07-April-2013	900	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd 40/100 & Altia Resources Pty Ltd 60/100
EKJV	E80/3878	Exploration	Granted	07-October-2008	06-October-2013	4200	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4049	Exploration	Granted	16-April-2009	15-April-2014	900	Earming 49%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4065	Exploration	Pending			9600	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4191	Exploration	Granted	20-August-2009	19-August-2014	4200	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4194	Exploration	Pending			1200	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4195	Exploration	Pending			1800	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4196	Exploration	Pending			300	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4210	Exploration	Pending			5100	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4224	Exploration	Pending			300	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4225	Exploration	Pending			5400	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4248	Exploration	Pending			1800	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4249	Exploration	Pending			3600	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4302	Exploration	Pending			14700	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	E80/4303	Exploration	Pending			16800	Earming 60%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
EKJV	P80/1742	Prospecting	Pending			26	Earming 49%	PanRes	100% or Commit, Rents & Rates	Thunelarra Exploration Ltd
Lanfranchi	M15/1295	Mining	Applic			39	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	M15/473	Mining	Granted	03-August-1990	02-August-2011	982	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/346	Mining	Granted	01-January-1973	31-December-2014	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/347	Mining	Granted	01-January-1973	31-December-2014	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/367	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/368	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/369	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/370	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/371	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/372	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/375	Mining	Granted	01-January-1976	31-December-2017	121	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/376	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd

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Project	Tenement	Licence Type	Status	Approval Date	Expiry Date	Area (ha)	Equity (%)	Tenement Manager	Panoramic Resources Commitment	Current Registered Tenement Holder(s)
Lanfranchi	ML15/377	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/378	Mining	Granted	01-January-1976	31-December-2017	121	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/379	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/380	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/381	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/382	Mining	Granted	01-January-1976	31-December-2017	121	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/383	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/384	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/385	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/386	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/387	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/388	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/389	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/482	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/483	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/484	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/485	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/486	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/487	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/488	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/489	Mining	Granted	01-January-1976	31-December-2017	72	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/490	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/491	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/492	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	ML15/493	Mining	Granted	01-January-1976	31-December-2017	120	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Lanfranchi	P15/3752	Prospecting	Granted	31-October-1995	30-October-1999	40	100%	PanRes	100% or Commit, Rents & Rates	BHP Billiton Nickel West Pty Ltd
Logans Find	E15/849	Exploration	Granted	03-August-2006	02-August-2011	3000	100%	PanRes	100% or Commit, Rents & Rates	Liontown Resources Ltd
Pioneer	E63/1030	Exploration	Granted	25-June-2007	24-June-2012	9000	80%	PanRes	100% or Commit, Rents & Rates	Pioneer Nickel Limited
Savannah	M80/179	Mining	Granted	16-June-1987	15-June-2029	242	100%	PanRes	100% All Rights	Savannah Nickel Mines Pty Ltd
Savannah	M80/180	Mining	Granted	16-June-1987	15-June-2029	960	100%	PanRes	100% All Rights	Savannah Nickel Mines Pty Ltd
Savannah	M80/181	Mining	Granted	16-June-1987	15-June-2029	960	100%	PanRes	100% All Rights	Savannah Nickel Mines Pty Ltd
Savannah	M80/182	Mining	Granted	16-June-1987	15-June-2029	600	100%	PanRes	100% All Rights	Savannah Nickel Mines Pty Ltd
Savannah	M80/183	Mining	Granted	16-June-1987	15-June-2029	960	100%	PanRes	100% All Rights	Savannah Nickel Mines Pty Ltd
Tennant Creek	EL24966	Exploration	Granted	18-September-2006	17-September-2012	14812	earning 80%	TUC	earning 80% All Rights	Territory Uranium Company Ltd
Tennant Creek	EL24967	Exploration	Granted	31-July-2006	30-July-2012	72128	earning 80%	TUC	earning 80% All Rights	Territory Uranium Company Ltd


SANDVIK

COMPANY DIRECTORY

As at 30 September 2009

BOARD OF DIRECTORS

Christopher J G de Guingand

Non-Executive Chairman

Peter J Harold

Managing Director

Christopher D J Langdon

Non-Executive Director

Brian M Phillips

Non-Executive Director

John Rowe

Non-Executive Director

SENIOR MANAGEMENT

Trevor R Eton

Chief Financial Officer & Company Secretary

Christopher J Williams

General Manager Operations

Stephen G Kelleher

Group Process Manager

John D Hicks

Exploration Manager

Wade J Evans

Business Development Manager

Jason B Grover

Financial Controller

David J Swain

Environmental Manager

Tracey M Ram

Human Resources Manager

Vera Waldby

Administration Manager & Asst Company Secretary

REGISTERED OFFICE

Panoramic House

Level 9
553 Hay Street
PERTH WA 6000
Telephone: +61 8 9225 0999
Facsimile: + 61 8 9421 1008
Email: info@panres.com
Website: www.panoramicresources.com

Australian Business Number:

47 095 792 288

SAVANNAH PROJECT

Terry J Strong

Operations Manager

LANFRANCHI PROJECT

Simon A Jessop

Operations Manager

AUDITORS

Ernst & Young

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

BANKERS

Commonwealth Bank

150 St George's Terrace
Perth WA 6000

SHARE REGISTRY

Computershare Investor Services

Level 2/45 St George's Terrace
Perth WA 6000

SOLICITORS

Mallesons Stephen Jaques

Level 10 Central Park
152 St George's Terrace
Perth WA 6000

Blakiston & Crabb

1202 Hay Street
West Perth WA 6005

DLA Phillips Fox

44 St George's Terrace
Perth WA 6000

Wright Legal

Level 1/88 Colin Street
West Perth WA 6005

TAX ADVISORS

Wiltax Consulting Pty Ltd

3 Grangewood Place
West Pennant Hills NSW 2125

Ernst & Young

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

PANORAMIC
RESOURCES LTD

Panoramic Resources Limited

Panoramic House
Level 9, 553 Hay Street
Perth WA 6000

Postal Address
PO Box Z5487
Perth WA 6831

Telephone: +61 8 9225 0999
Facsimile: + 61 8 9421 1008
Email: info@panres.com

ABN: 47 095 792 288

www.panoramicresources.com