



Panoramic Resources Limited

ABN: 47 095 792 288

Interim Financial Report

For the half-year ended 31 December 2012

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

Current Reporting Period: Half Year Ending 31 December 2012
Previous Reporting Period: Half Year Ending 31 December 2011

INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2012

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Panoramic Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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

Panoramic Resources Limited
Level 9
553 Hay Street
Perth WA 6000

APPENDIX 4D - INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		% movement		2011 A\$'000		2012 A\$'000
Revenue from ordinary activities (note 1)	down	18.3%	from	116,089	to	94,812
Net (loss) after tax from ordinary activities	up	234.9%	from	(3,878)	to	(12,986)
Net (loss) after tax attributable to members	up	234.9%	from	(3,878)	to	(12,986)

Note 1 – Revenue is after including interest income and after deducting concentrate treatment costs and smelter payment charges. Also included are gains on delivered/deferred commodity hedges of \$6,917,000 (2011: gains of \$7,901,000).

DIVIDENDS

On 27 February 2013, the Company declared a fully franked 1 cent per share interim dividend for the half year ended 31 December 2012 (31 December 2011: a fully franked 2 cents per share interim dividend).

The record date for the payment of the dividend is 17 May 2013 and the payment date is 31 May 2013. The total dividend payable on ordinary securities is \$2,560,586.

NET TANGIBLE ASSETS PER SHARE

	31 December 2011 \$ per share	31 December 2012 \$ per share
Net tangible assets per share	1.46	1.16

OTHER INFORMATION

The Company did not gain or lose control over any entity during the period.

Except for the matters noted above and subject to the requirements being applicable to the Company, all the disclosure requirements pursuant to ASX Listing Rule 4.2A.3 are contained within Panoramic Resources Limited's Half Year Report for the period ended 31 December 2012 which accompanies this Half Year Report (Appendix 4D).

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Panoramic Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

DIRECTORS

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

Brian M Phillips
Peter J Harold
Christopher D J Langdon
John Rowe

OPERATING AND FINANCIAL REVIEW

Operating Result for the Half-year

The consolidated entity recorded a loss after tax for the financial period ended 31 December 2012 of \$12,986,000 (2011: loss after tax of \$3,878,000).

The results, in comparison to the previous corresponding half-year, reflect:

- a 18% reduction in total net revenue from the lower net realised A\$ price of nickel sold (after hedging) and a decrease in the volume of product sold during the period.

The spot nickel price, in Australian dollar terms, averaged \$7.39 per pound during the financial period. In the previous corresponding half year, the equivalent average spot Australian dollar nickel price was \$8.88 per pound.

- a \$4,425,000 increase in the cost of goods sold (COGS) (including depreciation and amortisation), which principally reflects the 14% increase in non-cash depreciation and amortisation expense on non-current assets in comparison to the previous corresponding half-year; and
- a \$2,319,000 gain on the sale of the Company's 11.5 million share investment in Hot Chili Limited ("Hot Chili") in November 2012. At 30 June 2012, the Company had booked an impairment against the carrying value of the share investment in Hot Chili of \$2,242,000.

REVIEW OF OPERATIONS

Nickel Division

During the period, the Savannah Nickel Mine produced 43,865 dry metric tonnes of concentrate at an average nickel grade of 7.83% for 3,434 tonnes of nickel in concentrate (2011: 63,000 dry metric tonnes of concentrate at an average grade of 7.47% for 4,707 tonnes of nickel in concentrate).

The Lanfranchi Nickel Mine, produced 251,767 dry metric tonnes of ore at an average nickel grade of 2.30% for 5,802 tonnes of nickel in ore (2011: 208,827 dry metric tonnes of ore at an average nickel grade of 2.35% for 4,906 tonnes of nickel in ore).

On a consolidated group basis, the nickel division produced 9,236 dry metric tonnes of nickel in concentrate/ore (2011: 9,613 dry metric tonnes of nickel in concentrate/ore).

DEVELOPMENT PROJECTS

Gold Division

At the 100% owned Gidgee Gold Project, the Company released a Scoping Study ("Study") in August 2012. The Study estimated the capital and operating costs of the mining and treatment of ore from previously mined areas, including the Wilsons orebody that was acquired in June 2012. The positive results of the Study and the upgrade of the Howards and Heron South Resources in October 2012, has led the Company to commence a Bankable Feasibility Study, which is targeted for completion during the September 2013 quarter.

DIRECTORS' REPORT (Continued)

Following finalisation in August 2012, of the acquisition of a 70% interest in the Mt Henry Gold Project, the Company released a Scoping Study in December 2012 and commenced an 10,000 metre drill program to provide geotechnical and metallurgical test data to support completion of a Bankable Feasibility Study.

Platinum Group Metals (PGM) Division

At the Thunder Bay North (TBN) PGM Project, evaluation studies continued to re-optimize the mining method and mineral processing route to reduce the estimated capital and operating costs from previous economic assessments. In December 2012, the Company completed a "step-out" drill program on the TBN Resource which confirms that the overall zone that hosts the TBN Resource, the Current Lake Intrusive Complex, has a strike length in excess of 4.6kms and remains open at depth to the east and west.

During the period, the Company continued the review of technical information and the optimisation of previous evaluation studies of the Panton PGM Project.

EXPLORATION ACTIVITIES

During the period, the consolidated entity successfully explored for extensions to existing orebodies at each of its nickel operations, and continued work on greenfield exploration projects within and outside Australia.

SUBSEQUENT EVENT

Interim Dividend

On 27 February 2013, the Company's Board resolved to declare a 1 cent per share fully franked interim dividend to be paid out of retained earnings at 31 December 2012. The dividend payment date is set down for 31 May 2013.


ROUNDING

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

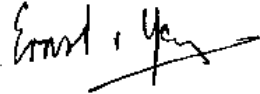
Signed in accordance with a resolution of directors.



Peter J Harold
Managing Director
Perth, 27 February 2013

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

In relation to our review of the financial report of Panoramic Resources Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

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

Ernst & Young

A handwritten signature in black ink that reads 'Robert A Kirkby'.

Robert A Kirkby
Partner
27 February 2013

Independent review report to members of Panoramic Resources Limited

Report on the 31 December 2012 Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Panoramic Resources Limited, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Panoramic Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

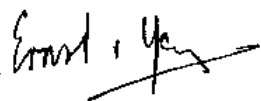
Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Robert A Kirkby'.

Robert A Kirkby
Partner
Perth
27 February 2013


DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter J Harold
Managing Director

Perth, 27 February 2013

Panoramic Resources Limited

ABN 47 095 792 288

Interim report for the half-year 31 December 2012

Panoramic Resources Limited
Consolidated income statement
For the half-year 31 December 2012

		Consolidated	
		Half-year	
		31 December	31 December
		2012	2011
Notes		\$'000	\$'000
	Revenue	94,812	116,089
	Cost of sales of goods	(108,160)	(103,735)
	Gross margin on sale of goods	(13,348)	12,354
	Other income	2,348	48
	Mark to market of derivatives	(615)	(918)
	Exploration and evaluation expenditure	(1,620)	(3,611)
	Other	(5,378)	(6,277)
	Impairment of available-for-sale financial assets	(26)	(4,078)
	Share based payments	(414)	(1,629)
	Finance costs	(793)	(649)
	Loss before income tax	(19,846)	(4,760)
	Income tax benefit	6,860	882
	Loss for the half-year	(12,986)	(3,878)
	Loss for the half-year is attributable to:		
	Owners of Panoramic Resources Limited	(12,986)	(3,878)
		Cents	Cents
	Loss per share attributable to the ordinary equity holders of the Company:		
	Basic loss per share	(5.2)	(1.9)
	Diluted loss per share	(5.2)	(1.9)

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

Panoramic Resources Limited
Consolidated statement of comprehensive income
For the half-year 31 December 2012

	Consolidated	
	Half-year	
	31 December	31 December
	2012	2011
Notes	\$'000	\$'000
Loss for the half-year	(12,986)	(3,878)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Changes in fair value of available-for-sale financial assets, net of tax	(53)	(224)
Transfer from cash flow hedge reserve to net profit, net of tax	(5,070)	(2,329)
Changes in fair value of cash flow hedges, net of tax	437	6,857
Exchange differences on translation of foreign operations	(1,110)	263
Other comprehensive income for the half-year, net of tax	(5,796)	4,567
Total comprehensive income for the half-year	(18,782)	689
Total comprehensive income for the half-year is attributable to:		
Owners of Panoramic Resources Limited	(18,782)	689

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

Panoramic Resources Limited
Consolidated statement of financial position
As at 31 December 2012

	Notes	31 December 2012 \$'000	30 June 2012 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	39,281	39,368
Term deposits		117	6,617
Trade and other receivables	7	27,478	33,014
Inventories		14,451	14,002
Derivative financial instruments	8	1,643	8,724
Prepayments		3,130	1,564
Total current assets		86,100	103,289
Non-current assets			
Available-for-sale financial assets		195	4,952
Property, plant and equipment		93,058	91,926
Exploration and evaluation		104,629	84,272
Development properties		98,170	100,510
Mine properties		38,548	44,270
Derivative financial instruments	8	-	205
Other non-current assets		429	1,921
Total non-current assets		335,029	328,056
Total assets		421,129	431,345
LIABILITIES			
Current liabilities			
Trade and other payables		30,959	26,041
Borrowings		4,292	2,455
Derivative financial instruments	8	5	289
Provisions		7,672	7,657
Total current liabilities		42,928	36,442
Non-current liabilities			
Borrowings		9,328	7,190
Deferred tax liabilities		34,423	43,291
Provisions		37,215	36,931
Total non-current liabilities		80,966	87,412
Total liabilities		123,894	123,854
Net assets		297,235	307,491
EQUITY			
Contributed equity	9	141,875	133,765
Reserves		50,889	56,270
Retained earnings		104,471	117,456
Total equity		297,235	307,491

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

Panoramic Resources Limited
Consolidated statement of changes in equity
For the half-year 31 December 2012

	Contributed equity \$'000	Share-based payment reserve \$'000	Available-for-sale financial assets reserve \$'000	Retained earnings \$'000	Cash flow hedge reserve \$'000	Mineral properties revaluation reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Consolidated entity								
Balance at 1 July 2011	104,675	15,887	230	145,613	5,477	31,252	-	303,134
Other comprehensive income	-	-	(224)	-	4,528	-	263	4,567
Loss for the half-year	-	-	-	(3,878)	-	-	-	(3,878)
Total comprehensive income for the half-year	-	-	(224)	(3,878)	4,528	-	263	689
Transactions with owners in their capacity as owners:								
Dividends provided for or paid	-	-	-	(4,141)	-	-	-	(4,141)
Employee share options - value of employee services	-	1,629	-	-	-	-	-	1,629
Balance at 31 December 2011	104,675	17,516	6	137,594	10,005	31,252	263	301,311
Balance at 1 July 2012	133,765	18,641	65	117,457	5,579	31,252	734	307,493
Other comprehensive income	-	-	(53)	-	(4,633)	-	(1,110)	(5,796)
Loss for the half-year	-	-	-	(12,986)	-	-	-	(12,986)
Total comprehensive income for the half-year	-	-	(53)	(12,986)	(4,633)	-	(1,110)	(18,782)
Transactions with owners in their capacity as owners:								
Contributions of equity, net of transaction costs and tax	8,110	-	-	-	-	-	-	8,110
Employee share options - value of employee services	-	414	-	-	-	-	-	414
	8,110	414	-	-	-	-	-	8,524
Balance at 31 December 2012	141,875	19,055	12	104,471	946	31,252	(376)	297,235

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

Panoramic Resources Limited
Consolidated statement of cash flows
For the half-year 31 December 2012

	Consolidated	
	Half-year	
	31 December	31 December
	2012	2011
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	97,799	116,940
Payments to suppliers and employees (inclusive of goods and services tax)	(79,175)	(90,252)
Interest paid	(430)	(71)
Income taxes paid	-	(3,021)
Payments for exploration and evaluation expense	(1,836)	(3,611)
Net cash inflow from operating activities	16,358	19,985
Cash flows from investing activities		
Payments for property, plant and equipment	(5,564)	(21,986)
Payments for available-for-sale financial assets	-	(4,000)
Payment of development costs	(10,578)	(11,196)
Proceeds from sale of property, plant and equipment	243	195
Proceeds from sale of available-for-sale financial assets	6,980	-
Interest received	762	2,136
Payments for exploration	(12,246)	(5,270)
Proceeds from term deposits	6,500	977
Net cash (outflow) from investing activities	(13,903)	(39,144)
Cash flows from financing activities		
Repayment of borrowings	(2,542)	(1,433)
Dividends paid to company's shareholders	-	(4,141)
Net cash (outflow) from financing activities	(2,542)	(5,574)
Net (decrease) in cash and cash equivalents	(87)	(24,733)
Cash and cash equivalents at the beginning of the financial year	39,368	90,864
Cash and cash equivalents at end of half-year	39,281	66,131

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

1 Basis of preparation of half-year report

The financial report of Panoramic Resources Limited (the Company) for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 28 February 2013.

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

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

The half-year financial report should be read in conjunction with the annual financial report of Panoramic Resources Limited as at 30 June 2012.

It is also recommended that the half-year financial report be considered together with any public announcements made by Panoramic Resources Limited and its controlled entities during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under ASX listing rules.

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

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

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2012.

Since 1 July 2012 the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 July 2012. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group. The Group has not elected to early adopt any new standards or interpretations that are not mandatorily effective.

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Panoramic Resources Limited and its subsidiaries as at 31 December 2012 ('the Group').

2 Segment information

(a) Description of segments

Business segments

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

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

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

Nickel

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

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

Gold

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

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

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

2 Segment information (continued)

(a) Description of segments (continued)

Business segments (continued)

Platinum Group Metals (PGM)

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

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

Australian and Overseas Exploration

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

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

Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and Accounting Standard AASB 114 Segment Reporting.

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

2 Segment information (continued)

(b) Operating business segments

Six Months Ended 31 December 2012	Nickel \$'000	Gold \$'000	Platinum Groups Metals \$'000	Australian Exploration \$'000	Overseas Exploration \$'000	Total \$'000
Sales to external customers	94,050	-	-	-	-	94,050
Other revenue	581	3	120	1	-	705
Total segment revenue	94,631	3	120	1	-	94,755
Segment result	(14,556)	(1,398)	(1,223)	(404)	45	(17,536)
Total segment assets	295,272	61,847	39,918	20,818	14	417,869
Total segment liabilities	99,578	21,498	1,309	(18)	-	122,367

Six Months Ended 31 December 2011	Nickel \$'000	Gold \$'000	Platinum Groups Metals \$'000	Australian Exploration \$'000	Overseas Exploration \$'000	Total \$'000
Segment revenue						
Sales to external customers	113,935	-	-	-	-	113,935
Other revenue	2,097	5	-	2	-	2,104
Total segment revenue	116,032	5	-	2	-	116,039
Segment result	13,454	(1,623)	-	(2,219)	(1,658)	7,954
At 30 June 2012						
Total segment assets	315,799	46,974	41,366	17,908	31	422,078
Total segment liabilities	88,703	21,481	1,518	186	447	112,335

(c) Other segment information

(i) Segment revenue

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

	Consolidated Half-year	
	31 December 2012 \$'000	31 December 2011 \$'000
Total segment revenue	94,755	116,039
Unallocated revenue	57	50
Consolidated revenue	94,812	116,089

2 Segment information (continued)

(c) Other segment information (continued)

(ii) Segment results

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

	Consolidated Half-year	
	31 December 2012 \$'000	31 December 2011 \$'000
Segment results	(17,536)	7,954
Corporate charges	(2,310)	(12,714)
Income tax benefit	6,860	882
Loss for the half-year	(12,986)	(3,878)

(iii) Segment assets

Reportable segments assets are reconciled to total assets as follows:

	31 December 2012 \$'000	30 June 2012 \$'000
Segment assets	417,869	422,078
Intersegment eliminations	(12,769)	(24,923)
Unallocated assets	16,029	34,190
Total assets as per the consolidated statement of financial position	421,129	431,345

(iv) Segment liabilities

Reportable segments liabilities are reconciled to total liabilities as follows:

	31 December 2012 \$'000	30 June 2012 \$'000
Segment liabilities	122,367	112,335
Intersegment eliminations	(3,621)	4,614
Unallocated liabilities	5,148	6,905
Total liabilities as per the consolidated statement of financial position	123,894	123,854

3 Other income

	Consolidated Half-year	
	31 December 2012 \$'000	31 December 2011 \$'000
Net gain on sale of available-for-sale financial assets	2,322	-
Sundry income	26	2
Reversal of impairment on receivables	-	46
	2,348	48

4 Profit for the half-year

	31 December 2012 \$'000	31 December 2011 \$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	6,390	6,129
Plant and equipment under finance leases	1,856	381
	8,246	6,510
<i>Amortisation</i>		
Deferred development costs	12,919	12,124
Mine properties	5,722	4,937
	18,641	17,061
<i>Finance costs</i>		
Interest and finance charges paid/payable	453	85
Unwinding of discount - rehabilitation	340	564
	793	649
<i>Others</i>		
Net loss on disposal of property, plant and equipment	24	-
Net foreign exchange loss	1	383
	25	383

5 Income tax expense

(a) Income tax (benefit)/expense

	Consolidated Half-year	
	31 December 2012 \$'000	31 December 2011 \$'000
Current tax	(1,956)	11
Deferred tax	(6,695)	(512)
Adjustments for current tax of prior periods	1,791	(371)
Adjustments for deferred tax of prior periods	-	(10)
	(6,860)	(882)

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

	Consolidated Half-year	
	31 December 2012 \$'000	31 December 2011 \$'000
Profit from continuing operations before income tax expense	(19,846)	(4,760)
Tax at the Australian tax rate of 30.0% (2012 - 30.0%)	(5,954)	(1,428)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment	6	13
Donations	-	8
Share-based payments	124	906
Foreign exploration	94	-
Business costs	(268)	-
Write back of shares	(673)	-
Gain on sale of investment	(24)	-
Deferred tax not recognised	2	-
Deferred tax arising from R&D offset	(1,958)	-
Adjustments for current tax of prior periods	1,791	(371)
Adjustments for deferred tax of prior periods	-	(10)
Income tax benefit	(6,860)	(882)

6 Current assets - Cash and cash equivalents

	31 December 2012 \$'000	30 June 2012 \$'000
Cash at bank and in hand	20,712	20,970
Deposits at call	18,569	18,398
	39,281	39,368

6 Current assets - Cash and cash equivalents (continued)

Cash equivalents

Short-term deposits are made for varying periods of between 30 days and 90 days and earn interest at the respective short term deposit rates. These also include certain short-term deposits made for periods exceeding 90 days that can be immediately converted into cash at market cash rates, depending on the Group's immediate cash requirements, without incurring any penalties from the financial institutions.

7 Current assets - Trade and other receivables

	31 December 2012 \$'000	30 June 2012 \$'000
Trade receivables	22,843	28,968
Other receivables	4,635	4,046
	27,478	33,014

(a) Trade and other receivables

(i) Nickel Concentrate

Mining revenue from nickel concentrate sales exported from the Savannah Nickel Project is recognised at its provisional price on the day the product has been shipped from port. 100% of the provisional value is payable in approximately 7 working days from the issue of a provisional invoice. At each reporting date, provisional priced nickel is marked to market based on the forward selling price for the quotational period stipulated in the contract (30 days after month of shipment) until the quotational period expires and the change in fair value is recognised as revenue. Increments and decrements in both final measured contained in nickel concentrate delivered to the customer are brought to account upon presentation of the final invoice.

(ii) Nickel Ore

Mining revenue from Lanfranchi nickel ore delivered to the Kambalda concentrator is recognised at its provisional price net of the amount goods and services tax (GST) payable to the taxation authority. 70% of the provisional invoice is payable one month after issue. Revenue is recognised based on the estimated fair value of the consideration received and the embedded derivative is included within trade receivables. At each reporting date, provisional priced nickel is marked to market based on the forward selling price for the quotational period stipulated in the contract (90 days after month of delivery) until the quotational period expires and the change in fair value is recognised as revenue.

(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 the United States currency exchange rates and spot commodity prices.

All trade receivables are non-interest bearing at 31 December 2012 and 30 June 2012.

7 Current assets - Trade and other receivables (continued)

(d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value, at 31 December 2012 and 30 June 2012.

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).

8 Derivative financial instruments

	31 December 2012 \$'000	30 June 2012 \$'000
Current assets		
Commodity put options	961	2,191
Forward exchange put options	-	26
Forward commodity contracts	682	6,507
Total current derivative financial instrument assets	<u>1,643</u>	<u>8,724</u>
Non-current assets		
Forward commodity contracts	-	205
Total non-current derivative financial instruments	<u>-</u>	<u>205</u>
Current liabilities		
Foreign exchange call options	-	227
Commodity call options	5	62
Total current derivative financial instrument liabilities	<u>5</u>	<u>289</u>
	<u>1,638</u>	<u>8,640</u>

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 interest and foreign exchange rates in accordance with the Group financial risk management policies.

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

- Commodity prices
- Interest rates
- Foreign currency exchange rates

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

8 Derivative financial instruments (continued)

(a) Commodity derivatives

(i) Nickel

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

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

Consolidated entity	Tonnes Hedged	Average US\$ price per tonne	Tonnes Hedged	Average US\$ price per tonne
	31 December 2012	31 December 2012	30 June 2012	30 June 2012
Nickel Sell Call Options				
Not later than one year	750	24,800	1,200	25,250
Nickel Buy Put Options				
Not later than one year	750	18,000	1,200	18,000
Nickel Fixed Forward				
Not later than one year	75	26,485	675	26,468

(ii) Diesel

In order to protect against price movements, the Group has entered into diesel put options. The Group sold put options to partially cover the costs of bought call options.

The Group has entered into contracts for diesel bought call options and sell put options at the reporting date designated as hedges of anticipated future payments for purchases to occur over the next two years that will be denominated in United States currency.

The diesel bought call options and sell put options do not qualify for hedge accounting as the timing of the options do not match the expected diesel use.

Consolidated entity	Kilolitres Hedged	Average US\$ price per litre	Kilolitres Hedged	Average US\$ price per litre
	31 December 2012	31 December 2012	30 June 2012	30 June 2012
Diesel Buy Call Options				
Not later than one year	1,125	0.90	3,375	0.83

(b) Foreign exchange contracts - cash flow hedges

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

The Group has entered into foreign exchange contracts and put and written call options at the reporting date. These are generally designated as hedges of anticipated future receipts from sales to occur over the next six months 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.

8 Derivative financial instruments (continued)

(b) Foreign exchange contracts - cash flow hedges (continued)

Consolidated entity	US\$ Hedged	Average Rate	US\$ Hedged	Average Rate
	31 December 2012 \$'000	31 December 2012 \$	30 June 2012 \$'000	30 June 2012 \$
Foreign Exchange calls				
Not later than one year	-	-	24,000	0.95
Foreign Exchange Puts				
Not later than one year	-	-	24,000	1.12

9 Contributed equity

(a) Share capital

	Notes	31 December 2012 Shares	30 June 2012 Shares	31 December 2012 \$'000	30 June 2012 \$'000
Ordinary shares					
Ordinary shares - fully paid	9(b)	256,058,555	241,681,195	141,875	133,765
Total contributed equity		256,058,555	241,681,195	141,875	133,765

(b) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price	\$'000
1 July 2011	Opening balance		207,050,710		104,675
5 June 2012	Share Issue		19,783,307		16,618
15 June 2012	Share Issue		11,880,543		9,980
25 July 2012	Share issue***		2,966,635		2,492
30 June 2012	Closing Balance		<u>241,681,195</u>		<u>133,765</u>
1 July 2012	Opening balance		241,681,195		133,765
16 August 2012	Share Issue		14,000,000		7,910
5 December 2012	Share Issue		377,360		200
31 December 2012	Closing Balance		<u>256,058,555</u>		<u>141,875</u>

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

10 Dividends

(a) Ordinary shares

Consolidated	
Half-year	
31 December	31 December
2012	2011
\$'000	\$'000

No final dividend was declared for the year ended 30 June 2012. In 2011, the directors' declared a final dividend of 2 cents per fully paid ordinary share paid on 23 September 2011.

Fully franked based on tax paid @ 30%

	-	4,141
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(b) Dividends not recognised at the end of the reporting period

Consolidated	
Half-year	
31 December	31 December
2012	2011
\$'000	\$'000

Interim dividend for the half-year ended 31 December 2012 of 1 cent (2011 - 2 cents) per fully paid share, to be paid on 31 May 2013 (2011 - 23 March 2012).

Fully franked based on tax paid @ 30%

	2,561	4,141
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11 Contingencies

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

12 Commitments

There were no changes in commitments since the last annual financial report.

13 Events occurring after the reporting period

Interim Dividend

On 27 February 2013, the Company's Board resolved to declare a 1 cent per share fully franked interim dividend to be paid out of retained earnings at 31 December 2012. The dividend payment date is set down for 31 May 2013.