

Appendix 4D

Half Year Financial Report

1 This report relates to the half year ending 31 December 2003, with comparative information for the half year ending 31 December 2002 and where stated financial year ended 30 June 2003.

2 **Results for announcement to the market**

This Appendix 4D is based on the half year financial report of Minara Resources Limited and is in the process of being audited.

Comparative figures below are in respect to the half year ended 31 December 2002.

	Mvt	%		\$'000
Revenue from sale of goods (net of selling costs)	Up	66%	to	197,975
Gross profit / (loss) from the sale of product	Up	589%	to	73,025
Profit / (loss) from ordinary activities after tax attributable to ordinary members				57.5

No dividends have been paid since the end of the previous financial year, nor have the Directors recommended that any dividend be paid.

3 Consolidated Statement of Financial Performance

	Note	6 Months Ended 31 Dec 2003 \$'000	6 months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2003 \$'000
Revenue from operations				
Revenue from sale of product (net of selling costs)		200,116	132,847	252,640
Natural hedge loss		-	(437)	(870)
Losses from foreign exchange contracts		-	(12,377)	(24,415)
Realised foreign exchange losses		(2,141)	(581)	(2,481)
		197,975	119,452	224,874
Cost of product sold				
Costs of production		(106,624)	(93,439)	(201,618)
Depreciation and amortisation expense		(14,086)	(12,387)	(22,896)
Royalties		(4,240)	(3,033)	(6,534)
		(124,950)	(108,859)	(231,048)
Gross profit / (loss) from the sale of product		73,025	10,593	(6,174)
Other revenue from ordinary activities	7(a)	1,317	8,560	15,560
Borrowing costs	7(b)	(1,458)	(39,039)	(53,259)
Net other revenues / (expenses) from ordinary activities	7(c)	(11,826)	(17,352)	20,419
Net provisions and write downs	7(d)	3,587	13,089	(29,521)
Distribution to Senior Secured Creditors – Fluor Phase 1 Arbitration		(7,184)	-	-
Net gain on redemption and forgiveness of Senior Secured Creditors	7(e)	-	(14,225)	553,222
Profit / (loss) from ordinary activities before income tax		57,461	(38,374)	500,247
Income tax (expense) / benefit attributable to operating profit / (loss) from ordinary activities		77	(2)	(20)
Profit / (loss) from ordinary activities attributable to members of the parent entity		57,538	(38,376)	500,227

4 Consolidated Statement of Financial Position

	Note	31 Dec 2003 \$'000	30 Jun 2003 \$'000	31 Dec 2002 \$'000
Current Assets				
Cash assets		33,966	64,930	3,008
Receivables	7(f)	56,187	31,380	68,460
Inventory		44,278	44,994	43,863
Deferred foreign exchange hedge loss		-	-	13,038
Other		10,676	5,948	4,752
Total Current Assets		145,107	147,252	132,121
Non Current Assets				
Receivables		15,942	17,183	858
Inventory		26,918	20,000	32,488
Property, plant and equipment		388,064	387,324	308,171
Exploration, evaluation and development		24,809	24,809	91,008
Deferred tax asset		452	375	392
Deferred unrealised foreign exchange loss		-	-	43,341
Total Non Current Assets		456,185	449,691	476,258
Total Assets		601,292	596,943	608,379
Current Liabilities				
Payables	7(g)	52,194	57,792	110,110
Interest bearing liabilities	7(h)	7,489	55,297	875,537
Provisions		1,794	1,535	10,193
Total Current Liabilities		61,477	114,624	995,840
Non Current Liabilities				
Payables		44,539	44,297	42,923
Interest bearing liabilities		20,030	21,625	14,888
Provisions		9,012	7,701	6,641
Deferred tax liabilities		-	-	129
Total Non Current Liabilities		73,581	73,623	64,581
Total Liabilities		135,058	188,247	1,060,421
Net Assets / (Liabilities)		466,234	408,696	(452,042)
Equity				
Contributed equity	7(i)	862,004	862,004	539,869
Accumulated losses	7(j)	(396,124)	(453,662)	(992,265)
Total Parent Entity Equity Interest		465,880	408,342	(452,396)
Outside equity interest		354	354	354
Total Equity / (Deficiency)		466,234	408,696	(452,042)

5 Consolidated Statement of Cash Flows

	Note	6 months Ended 31 Dec 2003 \$'000	6 months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2003 \$'000
Cash flows from operating activities				
Cash receipts in the course of operations		148,685	122,819	248,488
Cash payments in the course of operations		(133,616)	(112,845)	(238,429)
Interest received		1,256	423	2,482
Other		11	-	-
Interest paid		-	(1,442)	(5,343)
Net cash flows provided by operating activities	7(k)(ii)	16,336	8,955	7,198
Cash flows from investing activities				
Payments for exploration, evaluation and development		-	(129)	(192)
Payments for the acquisition of tenements		-	(150)	(800)
Proceeds from the sale of exploration, evaluation and development		50	300	439
Payments for property, plant and equipment		(17,511)	(12,943)	(27,691)
Proceeds from loan repaid		8,625	-	-
Proceeds from / (payments into) term deposits		1,241	(767)	(9,140)
Proceeds from insurance settlement		-	-	2,520
Fluor Arbitration costs recovery		-	-	7,011
Proceeds from Fluor Arbitration Phase 1 Appeal		7,983	-	-
Payments to Senior Secured Creditors		(7,184)	-	-
Proceeds from sale of controlled entities and equity investments		-	2,500	2,500
Cash flows used in investing activities		(6,796)	(11,189)	(25,353)
Cash flows from financing activities				
Proceeds from issue of shares		-	-	323,050
Share issue costs		-	(245)	(916)
Debt restructure costs		-	(8,377)	(17,418)
Payments to Senior Secured Creditors		-	(351)	(188,305)
Proceeds from borrowings		-	10,189	10,189
Repayment of interest bearing liabilities		(38,088)	-	(38,338)
Finance lease payments		(2,448)	(2,474)	(4,939)
Cash flows provided by / (used in) financing activities		(40,536)	(1,258)	83,323
Net increase / (decrease) in cash held		(30,996)	(3,492)	65,168
Cash at the beginning of the period		64,930	5,630	5,630
Effects of exchange rates on balances held in foreign currencies		32	201	(5,868)
Cash at the end of the period	7(k)(i)	33,966	2,339	64,930

6 Discussion of Results

Financial Position

The Consolidated Entity, being Minara Resources Limited ("Minara") and its controlled entities recorded a profit from ordinary activities of \$57.5 million (2002: loss \$38.4 million) for the half year ended 31 December 2003.

The principal activities of the Consolidated Entity during the half year were the operation of the Murrin Murrin nickel and cobalt open pit mine and processing facilities ("Murrin Murrin"). The Consolidated Entity has a 60% interest in Murrin Murrin through its 100% owned subsidiary Murrin Murrin Holdings Pty Ltd ("MMH").

Murrin Murrin Operations Pty Ltd ("MMO") (formerly Anaconda Operations Pty Ltd) is the manager of the Murrin Murrin Joint Venture ("the Joint Venture" or "the Project") on behalf of MMH (60%) and Glenmurrin Pty Ltd (40%) (the "Participants").

Review of Operations

Murrin Murrin

Safety

There were no lost time injuries recorded during the half year period. However the medical treatment injury frequency rate remains unsatisfactory and as a result extensive root cause analysis training has been conducted during the period including the development of a structure for Site Safe hazard reporting.

Environment

There were no significant or reportable environmental incidents during the quarter.

The development and implementation of the Environmental Management System (EMS) to ISO 14001 standard and the completion of statutory environmental reports were the primary focus for the half year. The completion of the Minara environmental policy, system standards and manuals, and particularly the environmental aspects and impacts workshops, have underpinned significant progress in the implementation program.

Murrin Murrin was also subject to an annual environmental review by the Department of Industry and Resources ("DoIR"). DoIR inspectors generally reported a high standard environmental compliance, however some areas of partial compliance were also noted. These areas will be addressed as part of Minara's continual improvements program.

Production

Murrin Murrin nickel production for the half year to 31 December 2003 was 15,793 tonnes (2002: 14,481 tonnes). Cobalt production for the half year to 31 December 2003 was 1,163 tonnes (2002: 950 tonnes). The half yearly results demonstrated an improvement in plant availability and integrity resulting from improved maintenance procedures and ongoing capital program.

Capital Program

Major projects completed during the half year include the upgrading of the screening circuit, completion and installation of the ore preparation paste thickener circuit designed to improve feed density to the

leach autoclaves. In addition, the high voltage electrical circuitry upgrade and installation of an additional two new Geho pumps are expected to be completed by 30 June 2004.

Market Conditions

Nickel

Nickel prices rose strongly during the 6 months to 31 December 2003, due in part to increasing demand for nickel from stainless steel demand in China, a lack of new major production with major projects being delayed and a drawdown of stocks. The LME cash settlement nickel price at 31 December 2003 was US\$7.55/lb, (or US\$16,650 pmt), up 99% from US\$3.81/lb at 30 June 2003.

Cobalt

Cobalt prices also rose strongly during the 6 months to 31 December 2003. The Metal Bulletin published cobalt price for 99.3% grade as at 31 December 2003 was US\$20.00/lb, up 147% from US\$8.10/lb 30 June 2003.

Currency

The Australian dollar has continued to strengthen against the US dollar closing at A\$:US\$0.7520 at 31 December 2003, from A\$:US\$0.6713 at 30 June 2003.

Corporate

Board of Directors

On 1 July 2003, Mr Gustiaman Deru was appointed to the Board of Directors as a non executive Director. Mr Lap Chan was appointed as an alternate for Mr Deru.

Share Consolidation

At the Company's Annual General Meeting on 26th November 2003, shareholders passed a resolution to conduct a 15:1 consolidation of the Company's ordinary issued shares. As a consequence of the share consolidation, the Company has reduced the number of ordinary shares on issue from 6,922,533,645 to 461,502,243.

Change of Name

Also at the Company's Annual General Meeting on 26th November 2003, shareholders passed a resolution to change the Company's official name from Anaconda Nickel Limited to Minara Resources Limited.

Options

During the half year, as part of a Long Term Incentive Plan for senior executives, the Board issued 1,813,333 (post consolidation) options over 1,813,333 (post consolidation) unissued shares in Minara to 11 senior executives of the Company, expiring on 6 June 2006, with an exercise price of \$0.90 per share, exercisable after 6 June 2005.

At the Company's Annual General Meeting on 26th November 2003, shareholders approved the issue to the Chief Executive Officer of 1,333,333 options over unissued shares in Minara expiring on 6 June 2005, with an exercise price of \$0.90 per share, exercisable after 6 June 2004.

Gutnick Loan

During the 6 months to 31 December 2003, the loan due from Gutnick Resources Limited of \$8.6 million was received in full in accordance with the renegotiated payment terms.

Central Exchange

Under the terms of a settlement agreement between Central Exchange Limited ("Central Exchange") and MMO, an amount of \$19.1 million (Minara 60% share: \$11.4 million) was paid to Central Exchange on 12th January 2004. The payment arose out of a Settlement Deed entered into with Central Exchange in September 1996 in respect of contractual arrangements for certain mineral tenements acquired before the commencement of the Project. The payment was triggered on the review date of 28 November 2003 when the average LME nickel price for the 12 months ended 28 November 2003 exceeded the trigger price of US\$4.1033/lb (being US\$3.50/lb indexed since September 1996). The Consolidated Entity has had mining access to the Central Exchange tenements since September 1996.

The additional acquisition cost of \$11.4 million has been capitalised to mine properties and development and recognised as a current payable in the statement of financial position as at 31 December 2003. At 31 December 2003, the Central Exchange tenements had been depleted through mining operations. Accordingly, a write off of \$3.5 million was recorded in the statement of financial performance at 31 December 2003 reflecting reserve depletion prior to 1 July 2003.

Fluor Daniel Arbitration

During the half year the Scheme Administrator distributed \$13.3 million of the \$16.9 million retained in respect of amounts appealed from the phase 1 Fluor arbitration award. In accordance with the Schemes of Arrangement ("Schemes") entered into by the Senior Secured Creditors, MMH and Anaconda Nickel Holdings Pty Ltd ("ANHF") and the Fluor Litigation Deed, 90% (\$12.0 million) was distributed to the Senior Secured Creditors and the remaining 10% (\$1.3 million) was distributed to MMO on behalf of MMH and Glenmurrin.

MMH's share of the \$13.3 million award is \$8.0 million and has been recorded in the statement of financial performance as at 31 December 2003 as a write back of the impairment provision previously taken against plant and equipment.

MMH's share of the amount distributed to Senior Secured Creditors is \$7.2 million and has been recorded in the statement of financial performance as at 31 December 2003.

The Scheme Administrator will retain the balance of the award of \$3.6 million until such time as the remaining appeal on phase 1 of the Fluor arbitration in respect of additional autoclave capacity is decided. This balance has not been brought to account at 31 December 2003.

Phase 2 of the Fluor arbitration commenced in September 2003 with final submissions heard in February 2004. The phase 2 claims of MMO exceed \$350 million and there is no counter claim by Fluor against MMO. The Participants will retain any and all amounts awarded in phase 2. A decision on phase 2 is expected in mid 2004.

Ni West Agreement

On 16th January 2004, agreement was been reached with the Receivers of Western Metals Copper Limited ("WMCL") to purchase WMCL's majority interest in NiWest Limited ("NiWest") for \$2.7 million. NiWest is the holder of nickel laterite tenements, located within the proximity of the Murrin Murrin Nickel Cobalt project. GME Resources, the other partner in NiWest, have a pre-emptive right to acquire the interest by matching the agreed price.

Working Capital Facility – Glencore (the “Glencore loan”)

At 31 December 2003, the Glencore loan totalled US\$3.3 million (A\$4.3 million). The Consolidated Entity repays the Glencore loan through the monthly delivery of nickel, pursuant to the terms of the Nickel Offtake Agreement.

In January 2004, the Consolidated Entity considers that it made its final delivery of nickel under the Glencore loan, subject to final price determination in the following three month quotation period. Repayments of the Glencore loan totalling US\$44.7 million (including interest) began in April 2003.

7 Notes to the Financial Statements

	6 Months Ended 31 Dec 2003 \$'000	6 Months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2003 \$'000
(a) Other revenue from ordinary activities			
Interest received / receivable	1,256	423	2,482
Fluor Arbitration costs recovery	-	7,440	9,483
Proceeds from the sale of exploration, evaluation and development	50	300	439
Proceeds from insurance settlement	-	-	2,520
Other	11	397	636
	1,317	8,560	15,560
(b) Borrowing costs			
<i>Interest paid / payable:</i>			
The Notes	-	(32,294)	(42,335)
Working capital facility – Glencore	(929)	(2,508)	(4,248)
Continuing Obligations – Glencore	-	(1,241)	(1,932)
Senior Secured Priming Loan facility – Glencore	-	(123)	(216)
Foreign exchange hedge obligations – Glencore	-	(482)	(465)
Foreign exchange hedge obligations – Other	-	(1,444)	(2,223)
Finance leases	(832)	(938)	(1,824)
Other	-	(9)	(16)
	(1,458)	(39,039)	(53,259)

	6 Months Ended 31 Dec 2003 \$'000	6 Months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2003 \$'000
(c) Net other gains / (expenses) from ordinary activities			
Corporate, Finance and Other			
Corporate, commercial and finance costs	(6,342)	(11,266)	(17,434)
Legal settlement – van der Sluys and Maish	-	(2,580)	(2,580)
Legal costs – Fluor Arbitration	(6,525)	(3,460)	(7,928)
Provision for native title payable	(307)	(300)	(600)
Bad debts expense	(210)	-	(210)
Provision for rehabilitation	(1,010)	(1,010)	(2,020)
Gain / (loss) on sale of leased plant and equipment	-	24	-
	(14,605)	(18,592)	(30,772)
Foreign Exchange			
Unrealised foreign exchange gains / (losses) on:			
Cash	32	201	(313)
Debt	522	976	8,183
Realised foreign exchange gains / (losses)			
Debt	1,979	-	458
Senior Secured Debt	-	-	43,074
Other	246	63	-
	2,779	1,240	51,402
Depreciation and Amortisation			
Depreciation of property plant and equipment	-	-	(211)
	(11,826)	(17,352)	20,419
(d) Provisions and write downs			
Reversal of provision for loan receivable	-	-	8,625
Provision for inventory obsolescence	(1,357)	(1,011)	(1,615)
Inventory written off	-	-	(19,804)
Other inventory adjustments	503	517	333
Provision for write down in property, plant and equipment	-	(253)	-
Reversal of provision for impairment of property, plant and equipment (i)	7,983	16,580	16,580
Provision for unsuccessful exploration, evaluation and development expenditure and mine properties	(3,542)	(2,744)	(2,796)
Deferred natural hedge written off	-	-	(30,844)
	3,587	13,089	(29,521)

(i) The provision for impairment has been reversed to the extent that amounts due in respect of the Fluor Arbitration Award have reduced the carrying value of property, plant and equipment. Of the \$8.0 million awarded to MMH, \$7.2 million was distributed to the Senior Secured Creditors in

Minara Resources Limited - Appendix 4D
ABN: 23 060 370 783
Financial Report
Half Year Ending 31 December 2003

accordance with the Schemes of Arrangement and the Fluor Litigation Deed and recorded on the face of the statement of financial performance as at 31 December 2003.

	6 Months Ended 31 Dec 2003 \$'000	6 Months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2003 \$'000
(e) Net gain on redemption and forgiveness of Senior Secured Creditors Debt			
Carrying value of Senior Secured Debt	-	-	775,092
Redemption of Senior Secured Debt	-	-	(188,305)
Debt restructure costs	-	(14,225)	(14,513)
Fluor Daniel Phase 1 Award Distribution to Senior Secured Creditors	-	-	(19,052)
Gain on debt forgiveness of Senior Secured Creditors	-	(14,225)	553,222
	31 Dec 2003 \$'000	30 Jun 2003 \$'000	31 Dec 2002 \$'000

(f) Receivables

Current

Trade debtors (a)	51,297	17,262	31,898
Term deposits	-	-	7,155
Other receivables	3,276	4,828	4,736
Provision for doubtful debts	-	(356)	(146)
Fluor Daniel Interim Award – Net Phase 1 Settlement	-	-	4,968
Fluor Daniel Interim Award – Held in Escrow	-	-	19,052
Loan receivable	-	8,625	8,625
Provision for loan receivable	-	-	(8,625)
Receivables from controlled entities (b)	1,614	1,021	-
	56,187	31,380	68,460

(a) Trade debtors include amounts owed to the Consolidated Entity from the sale of finished product to Glencore under nickel and offtake agreements of \$51.3 million (2002: \$17.3 million). All sales under these offtake agreements are on normal commercial terms and conditions.

(b) Amounts are unsecured and interest free.

Minara Resources Limited - Appendix 4D
 ABN: 23 060 370 783
 Financial Report
 Half Year Ending 31 December 2003

	31 Dec 2003 \$'000	30 Jun 2003 \$'000	31 Dec 2002 \$'000
(g) Payables			
Current			
Trade creditors	39,856	56,940	46,945
Central Exchange	11,431	-	-
Accrued interest			
Notes	-	-	51,818
Foreign exchange hedge obligations	-	-	2,368
Working capital facility – Glencore	-	-	4,699
Continuing Obligations Loan – Glencore	-	-	3,233
Senior Secured Priming Loan Facility – Glencore	-	-	123
Other (a)	907	852	924
	52,194	57,792	110,110

(a) Amounts are unsecured and interest free.

(h) Interest Bearing Liabilities

Current

Bank overdraft	-	-	669
Senior Secured Creditors			
Notes	-	-	714,667
Foreign exchange hedge obligations	-	-	50,268
Working capital facility – Glencore	4,343	52,130	73,535
Senior Secured Priming Loan Facility - Glencore	-	-	10,045
Trade finance facility	-	-	-
Finance lease liabilities	3,146	3,167	25,703
Other	-	-	650
	7,489	55,297	875,537

31 Dec 2003 \$'000	30 Jun 2003 \$'000	31 Dec 2002 \$'000
--------------------------	--------------------------	--------------------------

(i) Contributed Equity

Balance at the beginning of the financial period (i)	862,004	539,869	539,869
Rights issue	-	323,051	-
Rights issue costs	-	(916)	-
	862,004	862,004	539,869

(i) At the Company's Annual General Meeting on 26th November 2003, shareholders passed a resolution to conduct a 15:1 consolidation of the Company's ordinary issued shares. As a consequence of the share consolidation, the Company has reduced the number of ordinary shares on issue from 6,922,533,645 to 461,502,243.

(ii) The following options over unissued shares in Minara were issued during the half year and remain unexercised at 31 December 2003:

Options	Issue Date	Vesting Date	Number Post Consolidation	Exercise Price \$/share	Expiry Date
Long Term Incentive Plan for Senior Executives	30 July 2003	6 June 2005	1,813,333	\$0.90	6 June 2006
Chief Executive Officer (a)	26 November 2003	6 June 2004	1,333,333	\$0.90	6 June 2005

(a) Approved by shareholders at the Company's Annual General Meeting on 26th November 2003.

6 Months Ended 31 Dec 2003 \$'000	6 Months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2003 \$'000
-----------------------------------	-----------------------------------	------------------------------------

(j) Reconciliation of Accumulated Losses

Accumulated losses at the beginning of the financial period	(453,662)	(953,889)	(953,889)
Profit / (loss) from ordinary activities after tax	57,538	(38,376)	500,227
Accumulated losses at the end of the financial period	(396,124)	(992,265)	453,662

(k) Notes to the reconciliation of cash flows

(i) Reconciliation of cash

For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the relevant items in the statements of financial position as follows:

	31 Dec 2003 \$'000	31 Dec 2002 \$'000	30 Jun 2003 \$'000
Cash	33,966	3,008	64,930
Bank overdraft	-	(669)	-
	33,966	2,339	64,930

Minara Resources Limited - Appendix 4D
ABN: 23 060 370 783
Financial Report
Half Year Ending 31 December 2003

	6 Months 31 Dec 2003 \$'000	6 Months 31 Dec 2002 \$'000	12 Months 30 Jun 2003 \$'000
(ii) Reconciliation of profit / (loss) from ordinary activities after income tax to the cash flows from operations			
Profit / (loss) from ordinary activities	57,538	(38,376)	500,227
Add / (less) items classified as investing or financing activities:			
Distribution to Senior Secured Creditors – Phase 1 Fluor Arbitration Appeal	7,184	-	-
Gain on redemption and forgiveness of Senior Secured Debt	-	14,225	(553,222)
Proceeds on sale of exploration, evaluation and development	(50)	(300)	(439)
Finance lease interest expenses	832	938	1,824
Proceeds from insurance settlement	-	-	(2,520)
Add / (less) non cash items:			
Amortisation of natural hedge loss	-	437	870
Amortisation of deferred foreign exchange loss	-	12,377	24,415
Fluor Arbitration costs recovery	-	(7,440)	(9,483)
Reversal of impairment of property, plant and equipment	(7,983)	(16,580)	(16,580)
Provision for unsuccessful exploration, evaluation and development and mine properties	3,542	2,744	2,796
Provision for inventory write down	1,357	-	-
Provision for inventory obsolescence	-	1,011	1,615
Provision for rehabilitation	1,010	1,010	2,020
Other adjustments	(503)	(517)	(333)
Provision for write down of property plant and equipment	-	253	-
Depreciation and amortisation	14,086	12,387	23,107
Provision for doubtful debts	-	-	210
Unrealised foreign exchange (gains) / losses	(554)	(1,177)	(7,870)
Realised foreign exchange (gains) / losses	(2,225)	(63)	-
Reversal of provision for loan receivable	-	-	(8,625)
Inventory written off	-	-	19,084
Deferred hedge loss written off	-	-	30,844
(Profit) / loss on sale of plant and equipment	-	(24)	-
Net cash provided by / (used in) operating activities before changes in assets and liabilities	74,234	(19,095)	7,940

Minara Resources Limited - Appendix 4D
 ABN: 23 060 370 783
 Financial Report
 Half Year Ending 31 December 2003

	12 Months Ended 30 Jun 2003 \$'000	6 Months Ended 31 Dec 2002 \$'000	12 Months Ended 30 Jun 2002 \$'000
(Increase) / decrease in:			
Receivables	(33,432)	(8,237)	8,807
Inventory	(7,559)	(8,516)	(18,765)
Prepayments	(4,728)	(213)	(1,654)
Other assets	-	(523)	(523)
Deferred tax assets	77	(2)	(20)
Increase / (decrease) in:			
Trade creditors	(5,617)	47,777	13,632
Interest bearing liabilities	(7,199)	-	-
Trade finance facilities	-	(2,248)	(2,248)
Provisions	560	12	158
Deferred tax balances	-	-	(129)
Cash provided by operating activities	16,336	8,955	7,198

(I) Earnings per Share ("EPS")

	12 Months Ended 30 Jun 2003	6 months Ended 31 Dec 2002	12 Months Ended 30 Jun 2003
Basic EPS – cents per share	12.47	(8.32)	260.82
Diluted EPS – cents per share	12.43	-	-
Weighted average number of ordinary shares used in the calculation of basic earnings per share	461,502,243	6,922,533,645	191,700,932

8 Dividend Distribution Plans

The Consolidated Entity does not have any dividend distribution plans.

9 Control gained over entities having a material effect

Nil.

10 Loss of control of entities having a material effect

Nil.

11 Details of associates and joint venture interests

The Consolidated Entity has a 60% interest in the unincorporated Murrin Murrin Nickel/Cobalt Joint Venture. The Murrin Murrin Project is the Consolidated Entity's principal operating asset. The Consolidated Entity also has a 60% interest in development expenditure incurred in a joint venture arrangement with Glencore on the Murrin Murrin East Project.

Compliance statement

This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to the ASX.

This report, and the accounts upon which the report is based use the same accounting policies.

This report gives a true and fair view of the matters disclosed

The Consolidated Entity has a formally constituted Audit and Risk Management Committee.



Peter Johnston
Chief Executive Officer and Managing Director
18th February 2004