

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

Interim Financial Report  
31 December 2011

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**INTERIM FINANCIAL REPORT**  
**For the Period Ended 31 December 2011**

---

Company Directory	1
Directors' Report	2
Auditor's Independence Declaration	5
Condensed Statement of Comprehensive Income	6
Condensed Statement of Financial Position	7
Condensed Statement of Changes in Equity	8
Condensed Statement of Cash Flows	9
Condensed Notes to the Financial Statements	10
Directors' Declaration	17
Independent Auditor's Review Report	18

## COMPANY DIRECTORY

---

### DIRECTORS

Mr George Kenway  
(Non-Executive Chairman)

Mr Christopher Mason  
(Managing Director)

Mr Geoffrey Wallace  
(Executive Director)

Mr Peter Batten  
(Non Executive Director)

### COMPANY SECRETARY

Mr Geoffrey Wallace

### REGISTERED OFFICE

Unit 2, 94 Hay Street  
WEST PERTH, WA, 6008  
+61 8 9426 0500  
[admin@nimrodel.com.au](mailto:admin@nimrodel.com.au)

### AUDITORS

HLB Mann Judd  
Level 4,130 Stirling Street  
PERTH WA 6000

### SHARE REGISTRAR

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 9415 5000

### SECURITIES EXCHANGE LISTING

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
Code: NMR

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

---

Your directors submit the financial report of the consolidated entity for the half year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors' report is as follows:

**DIRECTORS**

The names of Directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

The names of the directors of the company during and since the end of the half-year are:

George Kenway	Non - Executive Chairman (appointed Chairman on 2 August 2011)
Christopher Mason	Managing Director (appointed 2 August 2011)
Geoffrey Wallace	Executive Director and Company Secretary
Peter Batten	Non - Executive Director (appointed 22 August 2011)
Alan Broome A.M	(resigned 2 August 2011)
Damian Delaney	(resigned 2 August 2011)
Ian Macpherson	(resigned 2 August 2011)

**RESULTS**

The loss after tax for the period ended 31 December 2011 was \$792,357 (2010:\$410,562).

**REVIEW OF OPERATIONS**

**BOTSWANA**

**Takatokwane Project**

The Group completed a drilling program comprising 14 holes to complement previous work on the Takatokwane project area (PL 035/2007). A geological model and resource assessment based on this drilling and other drilling previously carried out on the area was undertaken by Optiro, a Perth based consultancy group.

Optiro identified a maiden Inferred Resource of 4.2 Bt of raw coal with a 57% yield at a 1.6 SG float, providing a washed resource of 2.395 Bt. The resource is estimated on the basis of a seam thickness cut off of 1.5 metres. This resource has been reported and classified in accordance with the guidelines of the JORC Code. (Refer ASX Announcement 16 November 2011)

The Group has earned a 70% equity interest in Wizard Investments ( Pty) Ltd, a Botswana company that owns the Takatokwane tenement.

The Group is now advancing a scoping study on the project.

**Takatokwane South Project**

The Group entered into a Farm-In and Incorporated Joint Venture Agreement with Triprop Energy (Pty) Ltd a Botswana company that owns the Takatokwane South tenements (PL's 157/2009, 159/2009,160/2009 and 161/2009) whereby the Group can acquire up to 65% equity interest in Triprop Energy (Pty) Ltd by completing a two phase drilling program and scoping study prior to October 2014.

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**HALF-YEAR FINANCIAL REPORT**

**DIRECTORS' REPORT**

---

Phase 1 drilling consisted of 16 diamond core holes across PL 159/2009 and 11 reverse circulation holes across PL 157/2009 and PL 161/2009. An exploration target of 2.0 to 2.4 Bt is calculated from the Phase 1 drilling using the analysis of the coal horizon thickness and yield estimations of the best developed coal section. The target is conceptual in nature, drilling to date is insufficient to define a mineral resource and it is uncertain that future drilling will result in the determination of a mineral resource. (Refer ASX Announcement 27 January 2012).

Pursuant to the Agreement with Triprop Energy (Pty) Ltd the Group has elected to proceed to Phase 2 drilling and has earned a 20% equity interest in Triprop Energy (Pty) Ltd.

**TASMANIA**

**Specimen Reef Project**

This joint venture has been formed with Resource Star Ltd (ASX: "RSL") around 3 tenements located north and south of the Savage River iron ore mine. Resource Star Ltd is the holder of EL 11/2005 and the Group is the holder of EL 19/2009 and EL 20/2009. The three tenements are the subject of the JV agreement whereby the Group can earn up to 65% of the 3 tenements via an unincorporated Joint Venture.

The historic gold workings at Specimen Reef are located within EL 11/2005 which abuts the northern boundary of the Savage River Mine. Gold was first discovered at Specimen Reef in 1882. A small underground mining operation was established, accessing the reef on three levels. Thereafter, there has been no recorded sub-surface exploration in EL 11/2005 for the next one hundred years.

A modest drill program was conducted in and around the old workings in 1982. One of these drill holes intersected 910 grams per tonne of gold over an estimated true width of 0.2 metres at a down-hole depth of 140 metres. The drill log from this hole also described minor copper in the form of chalcopyrite.

In 1998 a petrological examination of this gold intersection identified the uranium mineral brannerite in carbonate veins.

These metal showings, namely the iron oxide, copper, gold and uranium, together with the tectonic setting, the Proterozoic age and the metamorphism of the host rocks strongly suggest the presence of an iron-oxide, copper, gold (IOCG) type deposition system.

Such systems contain copper, gold and uranium deposits, the giant Olympic Dam mine being the prime example.

A drilling program to test the system's potential will be undertaken in Quarter 2, 2012.

**EVENTS SUBSEQUENT TO REPORTING DATE**

On 1 March 2012 the Group announced the successful placement of 120 million fully paid shares at 4 cents per share to raise \$4.8 million. The placement is in two tranches with the first tranche of 60.8 million shares placed under the 15% placement capacity of the Group in accordance with ASX Listing Rule 7.1. The second tranche will be for a maximum of 59.2 million shares and will be subject to shareholder approval at a general meeting in April 2012.

**NIMRODEL RESOURCES LIMITED  
ACN 119 670 370**

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

---

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'G. Wallace', is written over a horizontal line.

Geoffrey Wallace  
Executive Director

Dated this 14<sup>th</sup> day of March 2012

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Nimrodel Resources Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



**Perth, Western Australia**  
**14 March 2012**

**N G NEILL**  
**Partner, HLB Mann Judd**

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
For the Half Year ended 31 December 2011

	Note	CONSOLIDATED	
		31 December 2011 \$	31 December 2010 \$
Revenue	2	23,460	10,116
Administration expenses		(154,595)	(44,609)
Wages and directors fees		(149,560)	(163,313)
Occupancy costs		(11,348)	(12,000)
Legal and compliance		(97,362)	(39,135)
Travel and accommodation		(26,903)	(1,309)
Professional fees		(325,599)	(22,787)
Share based payments		-	(137,525)
Capitalised costs written off		(22,757)	-
Loss on disposal		(27,693)	-
<b>Loss before income tax</b>		<b>(792,357)</b>	<b>(410,562)</b>
Income tax expense		-	-
<b>Loss after tax from continuing operations</b>		<b>(792,357)</b>	<b>(410,562)</b>
Loss after tax from discontinued operation		-	<b>(5,155,801)</b>
<b>Net loss for the period</b>		<b>(792,357)</b>	<b>(5,566,363)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		2,299	(344,151)
<b>Other comprehensive loss for the period net of tax</b>		<b>(790,058)</b>	<b>(344,151)</b>
<b>Total comprehensive loss for period</b>		<b>(790,058)</b>	<b>(5,910,514)</b>
Basic loss per share from continuing operations (cents)		(0.187)	(0.319)
Basic loss per share from discontinued operations (cents)		N/A	(4.001)

*The accompanying notes form part of these financial statements.*

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2011

	Note	CONSOLIDATED	
		31 December 2011	30 June 2011
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,442,382	1,426,091
Trade and other receivables		84,841	338,130
<b>Total current assets</b>		<b>1,527,223</b>	<b>1,764,221</b>
<b>Non-current assets</b>			
Trade and other receivables		61,000	262,661
Property, plant and equipment		24,826	34,945
Deferred exploration and evaluation expenditure	3	8,013,824	3,310,286
<b>Total non-current assets</b>		<b>8,099,650</b>	<b>3,607,892</b>
<b>Total assets</b>		<b>9,626,873</b>	<b>5,372,113</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		374,194	332,860
Provisions		17,353	17,422
<b>Total current liabilities</b>		<b>391,547</b>	<b>350,282</b>
<b>Total liabilities</b>		<b>391,547</b>	<b>350,282</b>
<b>Net assets</b>		<b>9,235,326</b>	<b>5,021,831</b>
<b>Equity</b>			
Issued capital	4	39,941,842	35,012,384
Reserves		2,895,384	2,818,990
Accumulated losses		(33,601,900)	(32,809,543)
<b>Total equity</b>		<b>9,235,326</b>	<b>5,021,831</b>

*The accompanying notes form part of these financial statements.*

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
For the Half-Year Ended 31 December 2011

	CONSOLIDATED				
	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	29,703,866	(26,725,749)	2,681,350	291,099	5,950,566
Loss for the period	-	(5,566,363)	-	-	(5,566,363)
Exchange differences arising on translation of foreign operations	-	-	-	(344,151)	(344,151)
<b>Total comprehensive loss for the period</b>	-	(5,566,363)	-	(344,151)	(5,910,514)
Share issued during the half year	1,163,417	-	-	-	1,163,417
Foreign exchange recognised on deconsolidation of subsidiary	-	(53,052)	-	53,052	-
Share based payments	-	-	137,525	-	137,525
<b>Balance at 31 December 2010</b>	<b>30,867,283</b>	<b>(32,345,164)</b>	<b>2,818,875</b>	<b>-</b>	<b>1,340,994</b>
<b>Balance at 1 July 2011</b>	35,012,384	(32,809,543)	2,818,875	115	5,021,831
Loss for the period	-	(792,357)	-	-	(792,357)
Exchange differences arising on translation of foreign operations	-	-	-	2,299	2,299
<b>Total comprehensive loss for the period</b>	-	(792,357)	-	2,299	(790,058)
Share issued during the half year	4,929,458	-	-	-	4,929,458
Share based payments	-	-	74,095	-	74,095
<b>Balance at 31 December 2011</b>	<b>39,941,842</b>	<b>(33,601,900)</b>	<b>2,892,970</b>	<b>2,414</b>	<b>9,235,326</b>

*The accompanying notes form part of these financial statements.*

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED STATEMENT OF CASH FLOWS**  
For the Half-Year Ended 31 December 2011

	<b>CONSOLIDATED</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(728,984)	(397,019)
Interest received	23,460	10,116
<b>Net cash flows used in operating activities</b>	<b>(705,524)</b>	<b>(386,903)</b>
<b>Cash flows from investing activities</b>		
Payments property, plant and equipment	(26,545)	(4,046)
Payments for exploration and evaluation	(1,245,098)	(42,226)
Payments for security bonds	(11,000)	-
<b>Net cash flows used in investing activities</b>	<b>(1,282,643)</b>	<b>(46,272)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	2,150,329	1,276,730
Payments for share issue costs	(145,871)	(113,313)
<b>Net cash flows from financing activities</b>	<b>2,004,458</b>	<b>1,163,417</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,291</b>	<b>730,242</b>
Cash and cash equivalents at 1 July	1,426,091	199,602
<b>Cash and cash equivalents at 31 December</b>	<b>1,442,382</b>	<b>929,844</b>

*The accompanying notes form part of these financial statements.*

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

---

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Nimrodel Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Basis of preparation**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

**Significant accounting judgements and key estimates**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2011.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2011, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

**2. LOSS BEFORE INCOME TAX EXPENSE**

	<b>CONSOLIDATED</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	<b>\$</b>	<b>\$</b>
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	23,460	10,116
Net loss on disposal of investment in subsidiary	-	(5,000,000)

**3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	<b>CONSOLIDATED</b>	
	<b>31 December 2011</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>
Costs carried forward in respect of areas of interest in the following phases	8,013,824	3,310,286
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of period	3,310,286	5,373,366
Expenditure capitalised	3,125,000	2,586,811
Expenditure incurred	1,601,295	505,909
Disposal of tenements	-	(5,155,800)
Expenditure written off	(22,757)	-
Balance at end of period	<u>8,013,824</u>	<u>3,310,286</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

**4. ISSUED CAPITAL**

	<b>CONSOLIDATED</b>	
	<b>31 December 2011</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>
423,265,788 (30 June 2011: 227,963,121) issued and fully paid ordinary shares	39,941,842	35,012,384

	<b>31 December 2011</b>	<b>30 June 2011</b>	<b>CONSOLIDATED</b>	
	<b>Number</b>	<b>Number</b>	<b>\$</b>	<b>\$</b>
<b>Movements in ordinary shares on issue</b>				
At start of period	227,963,121	104,582,808	35,012,384	29,703,936
Shares issued – placement	85,006,687	91,288,537	2,210,174	2,925,700
Shares issued – acquisition of Walkabout	8,300,395	31,300,933	300,000	2,586,811
Shares issued – performance shares	98,770,980	-	2,500,000	-
Shares issued – payments to suppliers	2,750,000	-	125,000	-
Options exercised	475,000	790,843	14,250	24,834
Capital raising costs	-	-	(219,966)	(228,897)
At end of period	423,265,788	227,963,121	39,941,842	35,012,384

**Movements in Class A performance shares**

At 1 July 2011		1,500,000	-
Issue as part consideration of Walkabout Resources Pty Ltd		-	1,500,000
Conversion to fully paid ordinary shares		(1,500,000)	-
At 31 December 2011		-	1,500,000

**Movements in Class D performance shares**

At 1 July 2011		1,000,000	-
Issue as part consideration of Walkabout Resources Pty Ltd		-	1,000,000
Conversion to fully paid ordinary shares		(1,000,000)	-
At 31 December 2011		-	1,000,000

**5. ACQUISITION OF SUBSIDIARY**

**Walkabout Resources Ltd**

On 3 March 2011 shareholders authorised the acquisition of 100% of the authorised capital of Walkabout Resources Ltd (“Walkabout”), an exploration company with prospects and subsidiaries in Australia, Botswana and Tanzania. This involved stepped payments dependent on conditions set out in the Agreement.

On 16 November 2011 Nimrodel announced an inferred coal resource of 4.23 billion tonnes on the Takatokwane project. This announcement satisfied the conditions of an earn in of 70% of Wizard Investments (Pty) Ltd, the 100% owner of the Takatokwane project. This triggered the conditions attached to the Class A and Class D performance shares. This required the issuing of \$2.5m worth of Nimrodel ordinary shares as part of the earn in Agreement.

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**

For the Half-Year Ended 31 December 2011

Wizard Investments is a 70% owned subsidiary of Walkabout Resources Pty Ltd. There were no assets or liabilities of Wizard other than their ownership of the Takatokwane project and associated exploration permits.

**6. SEGMENTAL REPORTING**

***Operating Segments by business activity***

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of directors in assessing performance and determining the allocation of resources.

***Segment Information***

The following tables presents revenue and results information regarding segment information provided to the Board of Directors for the half year periods ended 31 December 2011 and 31 December 2010.

	Continuing Operations			Discontinued Operations	Total
	Corporate	Coal	Gold Exploration	Uranium Exploration	
<b>31 December 2011</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment revenue</b>	23,410	-	50	-	23,460
<b>Segment result</b>	(713,551)	(59,610)	(19,196)	-	(792,357)
Included with segment results:					
Depreciation	8,971	-	-	-	8,971
Interest revenue	23,410	-	50	-	23,460
<b>Segment assets</b>	1,414,600	7,158,477	1,053,796	-	9,626,873
<b>Segment liabilities</b>	(389,387)	-	(2,160)	-	(391,547)

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

	Continuing Operations			Discontinued Operations	Total
	Corporate	Coal	Gold Exploration	Uranium Exploration	
<b>31 December 2010</b>					
<b>Segment revenue</b>	10,116	-	-	-	10,116
<b>Segment result</b>	(410,562)	-	-	(5,155,801)	(5,566,363)
Included with segment results:					
Depreciation	(5,114)	-	-	-	(5,114)
Interest revenue	10,116	-	-	-	10,116
<b>Segment assets</b>	985,063	-	445,592	-	1,430,655
<b>Segment liabilities</b>	(89,661)	-	-	-	(89,661)

**7. OPTIONS**

	31 December 2011 Number	30 June 2011 Number
	38,275,300	40,775,600
<b>Movements in options on issue</b>	<b>Number</b>	<b>Number</b>
At 1 July 2011	40,775,600	26,926,243
Granted	10,000,000	35,550,600
Expired	(12,025,300)	(20,910,400)
Exercise	(475,000)	(790,843)
At 31 December 2011	38,275,300	40,775,600

- (i) On 7 November 2011, 5,000,000 share options were granted to Pareto Capital as part payment for corporate services relating to the share placement. These were issued at an exercise price of \$0.10 each. The options are exercisable on or before 30 April 2012. The share options hold no voting or dividend rights and are non-transferable.
- (ii) On 25 November 2011, 5,000,000 share options were granted to DJ Carmichael as payment for corporate services relating to the share placement. These were issued at an exercise price of \$0.035 each. The options are exercisable on or before 25 November 2013. The share options hold no voting or dividend rights and are non-transferable.

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

---

**8. COMMITMENTS AND CONTINGENT LIABILITIES**

In November 2011 the consolidated entity entered into an agreement with Triprop Holdings Pty Limited. The Agreement allows for the company to acquire up to 65% of the Triprop project in Botswana. Under the agreement Nimrodel acquired a 20% interest in the project.

Under the agreement Nimrodel may earn in the future:

- A further 20% interest on completion of stage 2 drilling, for 40% interest in total; and
- A further 25% interest on completion of a Scoping Study, for 65% interest in total.

Upon completion of the Phase 2 Program, Nimrodel may elect:

- to terminate this Agreement by notice in writing to the Company and upon the receipt of this notice, this Agreement shall be deemed to be at an end and of no force or effect; or
- to continue with this Agreement by notice in writing to the Company

If Nimrodel makes the election to continue, then within 7 days:

- Nimrodel will issue Triprop with A\$50,000 worth of Nimrodel Shares and
- Nimrodel will pay A\$50,000 to Triprop.

Nimrodel may earn a further 25% Shareholder Interest in the Company (Third Farm-in Interest) by completing a Scoping Study on the Tenements (Third Farm-in Expenditure) within a period of three (3) years following the Execution Date or as agreed between Nimrodel and the Company (Third Farm-in Period).

Upon completion of the Scoping Study and the sole determination by Nimrodel of the outcome of the Scoping Study, Nimrodel may elect, within 7 days:

- to terminate this Agreement by notice in writing to the Company and upon the receipt of such notice, this Agreement shall be deemed to be at an end and of no force or effect. If Nimrodel elects to terminate this Agreement at this point, Nimrodel will transfer all of the Company Shares it holds to Triprop (for \$1.00), but Triprop will retain any Nimrodel Shares it has been issued by Nimrodel along with all monies received to date; or
- to continue with this Agreement by:
  - (i) electing, in Nimrodel's absolute discretion, to undertake a Bankable Feasibility Study; and
  - (ii) Nimrodel issuing Triprop with A\$100,000 worth of Nimrodel Shares and
  - (ii) Nimrodel will pay A\$100,000 to Triprop
  - (iv) Triprop will transfer a further 25% Shareholder Interest to Nimrodel so that it has a 65% Shareholder Interest in the Company.

Upon Nimrodel earning the 65% interest in Triprop the parties will contribute to further expenditure on a proportionate basis.

**NIMRODEL RESOURCES LIMITED**  
**ACN 119 670 370**

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2011

---

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

On 1 March 2012 the Group announced the successful placement of 120 million fully paid shares at 4 cents per share to raise \$4.8 million. The placement is in two tranches with the first tranche of 60.8 million shares placed under the 15% placement capacity of the Group in accordance with ASX Listing Rule 7.1. The second tranche will be for a maximum of 59.2 million shares and will be subject to shareholder approval at a general meeting in April 2012.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**NIMRODEL RESOURCES LIMITED  
ACN 119 670 370**

**DIRECTORS' DECLARATION**

For the Half Year Ended 31 December 2011

---

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 16 are in accordance with the Corporations Act 2001, including:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Geoffrey Wallace  
Executive Director

Dated this 14<sup>th</sup> day of March 2012

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nimrodel Resources Limited

### Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nimrodel Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation 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 controls as the directors determine is 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 2011 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 the company, 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*.

*Matters relating to the electronic presentation of the reviewed half-year financial report*

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2011 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial 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 Nimrodel 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 2011 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*.



**HLB MANN JUDD**  
**Chartered Accountants**



**N G NEILL**  
**Partner**

**Perth, Western Australia**  
**14 March 2012**