

Highlights 09




PANORAMIC
RESOURCES LTD

Vision, Commitment, Results



The 10 Year Plan

Improve our safety culture so every employee believes that safety is our most important value in line with our safety mantra; Vision, Commitment, Results

Optimise our metal production to maximise our margins

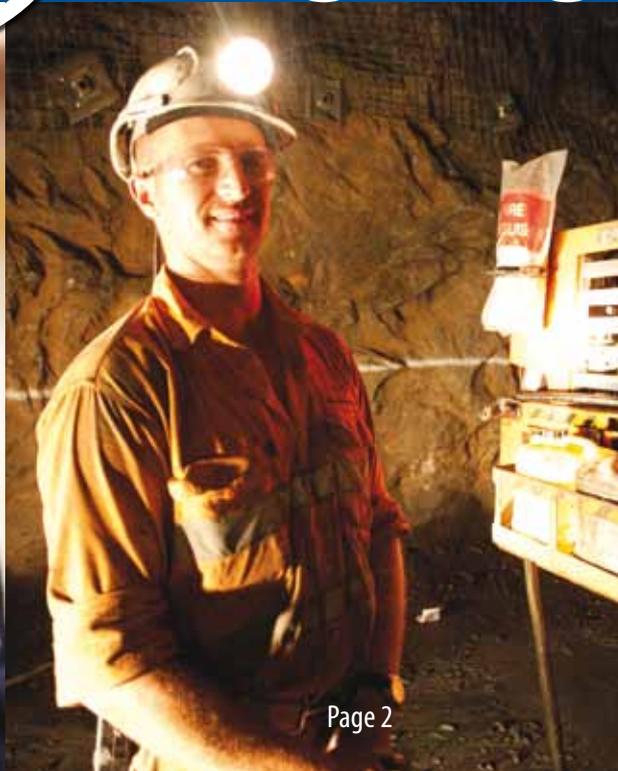
Grow our existing resource and reserve base to extend the mine life of both operations

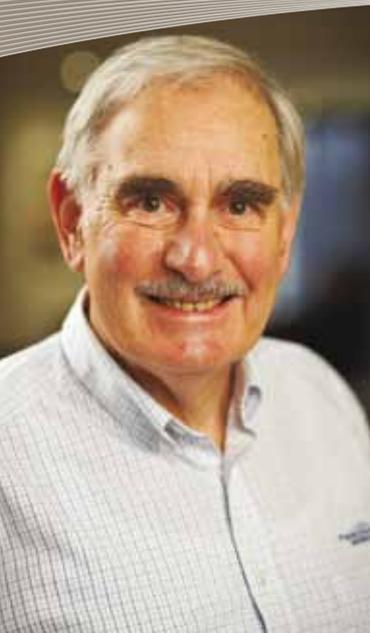
Acquire additional assets to become a diversified mining house

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

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

09 Highlights



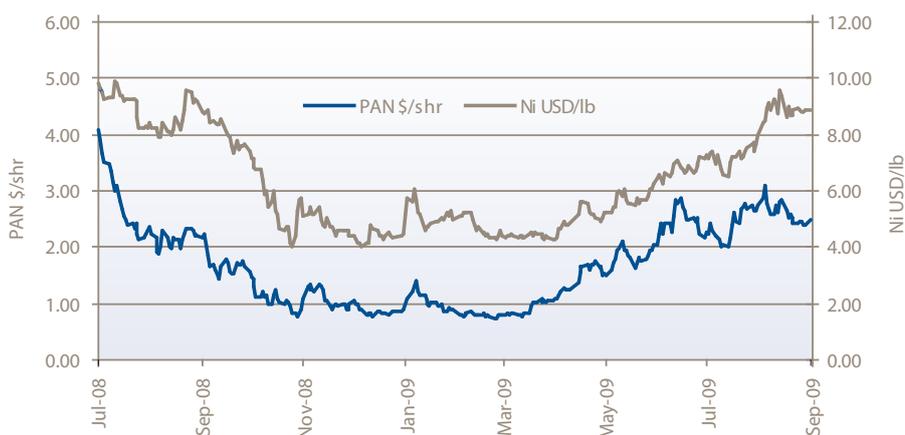


Chairman's Report

Dear Shareholders,

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

PAN Share Price v USD Nickel Price



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

The low nickel price has forced a large number of nickel producers globally to reduce or cease production, and we believe in excess of 300,000tpa nickel supply was removed from the global market in 2009. Since March 2009, the nickel price has risen strongly despite a large LME stock overhang, perhaps due to the strike at Vale's Sudbury operations. There is no evidence yet to suggest that the higher prices of recent months have encouraged

increases in production, although we understand that nickel pig iron production in China has resumed. This process is both polluting and a significant emitter of greenhouse gases. Once the Vale strike is settled, we, like a number of industry commentators, expect the nickel price to range trade between US\$8 and US\$10/lb. We believe this price range will encourage end users to return to nickel bearing stainless steels, but not encourage further production increases from high cost laterite projects. At these nickel prices our operations should remain profitable and robust well into the future.

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

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

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

Christopher J G de Guingand
Chairman
30 September 2009

Managing Director's Report

Dear Shareholders,

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

Key milestones achieved during the year were as follows:

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

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

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

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

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

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

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

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

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

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

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

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

Acquisitions of this nature together with continued strong production from our existing mines and exploration success will assist us in achieving our 10 Year Plan which is to:

- Improve our safety culture so every employee believes that safety is our most important value in line with our safety mantra; Vision, Commitment, Results
- Optimise our metal production to maximise our margins
- Grow our existing resource and reserve base to extend the mine life of our existing operations
- Acquire additional assets to become a diversified mining house
- Maintain a steady dividend stream and ultimately become an ASX/S&P Top 100 Company

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

We continue to strive to deliver as promised and I am looking forward to another rewarding year ahead. I would like to again thank all shareholders for their support and all employees and contractors for their hard work and dedication. All our employees and directors deserve a special mention this year for accepting salary cuts in order for the business to remain competitive and I personally thank them for their commitment to the Company. I would also like to thank our two customers, the Jinchuan Group and BHP Billiton Nickel West, for their ongoing support.

As always, I urge all our staff and contractors to adopt and embrace our safety mantra to ensure we get everybody "home safely every day".

Yours faithfully,

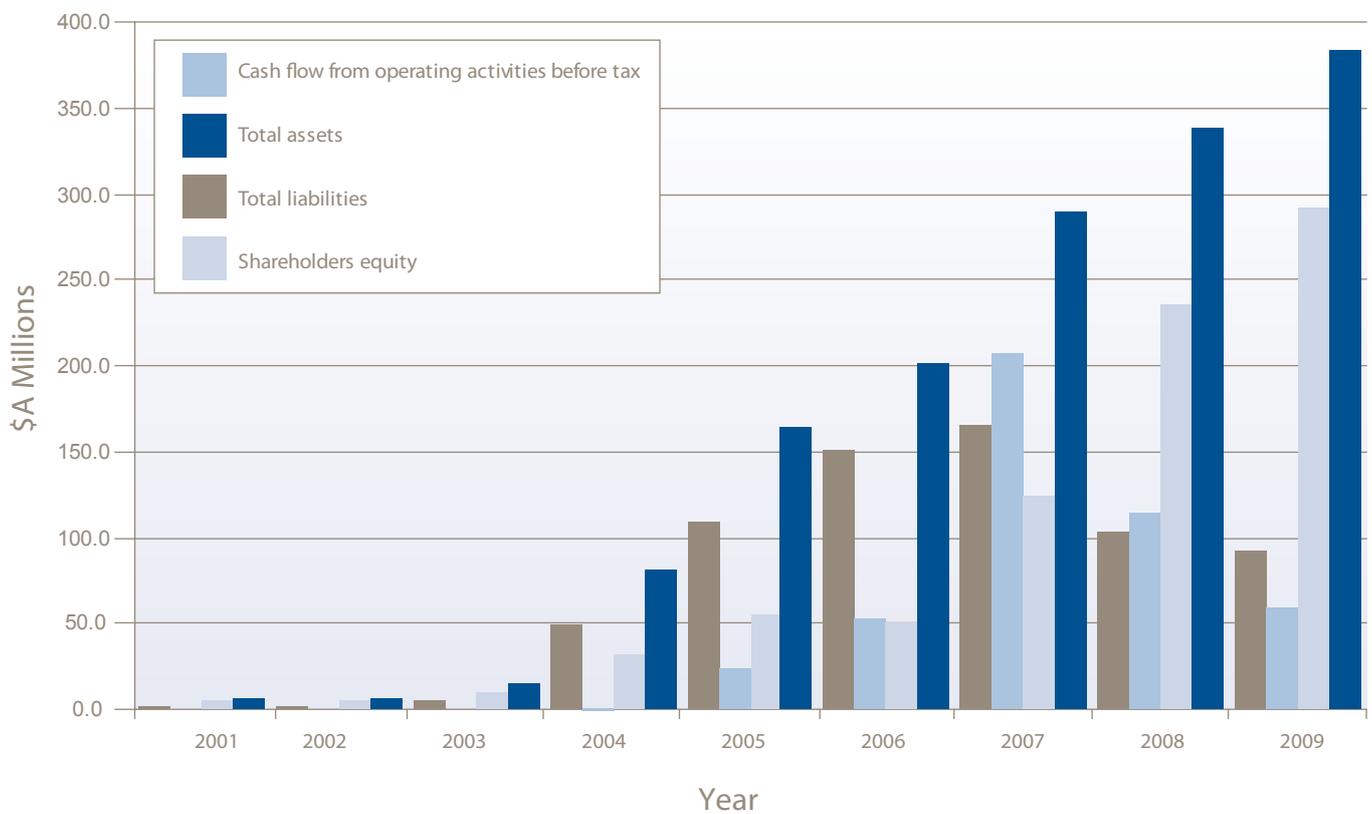


Peter J Harold
Managing Director
30 September 2009

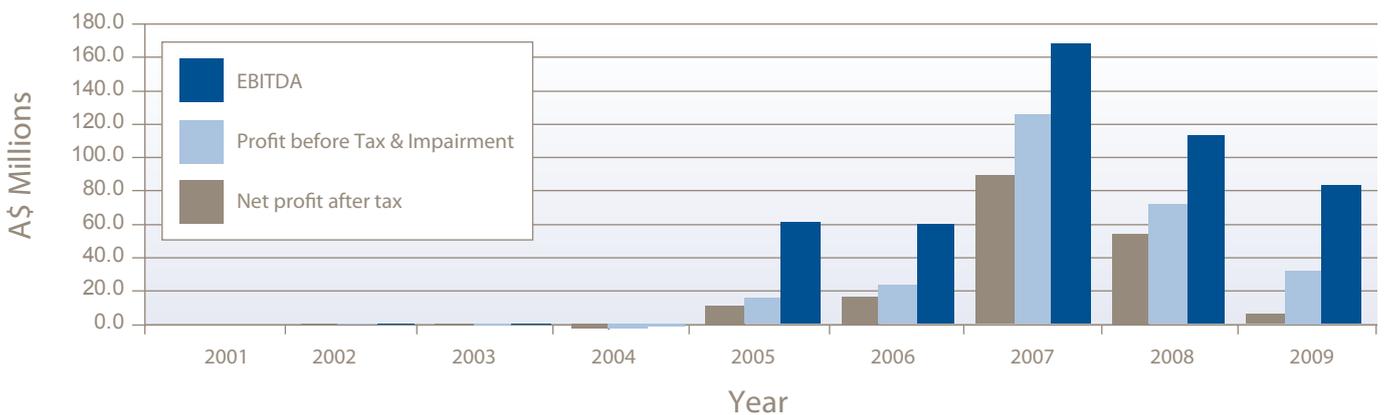


Financial Highlights

Panoramic Resources Limited Financial Results



Panoramic Resources Limited Financial Results

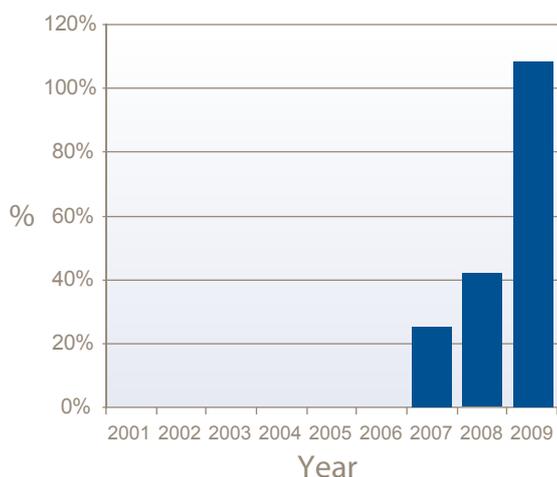


- Revenue of \$228.7 million
- Strong cash and receivables of \$95.9 million
- Net profit after tax and impairment of \$5.6 million
- Total dividend payout of 3 cents per share (fully franked)
- Hedge Book \$43.7 million “in the money” at 30 June 09
- Net assets of \$286.3 million

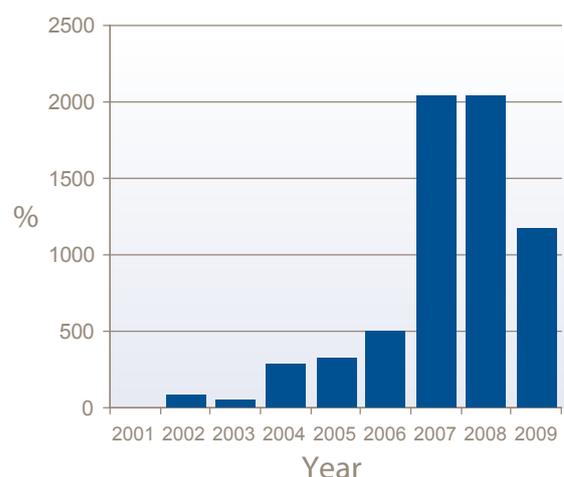
Financial Years	2003	2004	2005	2006	2007	2008	2009
Total Net Revenue (A\$M)	0.4	0.7	83.8	134.1	302.2	238.4	228.7
D&A (A\$M)			39.7	36.5	41.9	40.4	49.5
EBITDA (A\$M)	-0.9	-2.0	60.2	59.6	166.5	111.8	82.2
Profit before Tax & impairment (A\$M)	-1.3	-3.1	14.8	23.1	124.6	71.4	31.7
Profit after Tax & before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



Dividend pay-out ratio (%)

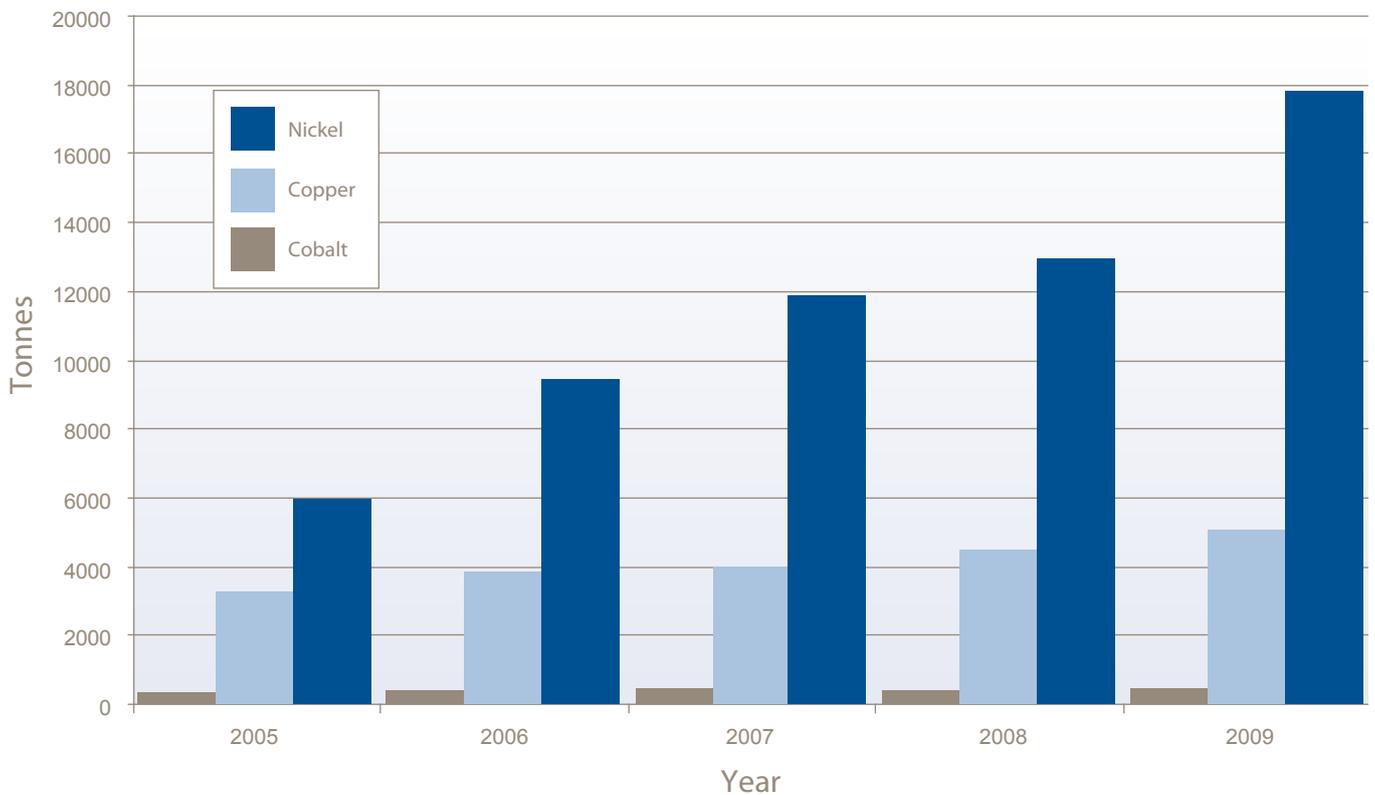


Cumulative return since IPO (%)

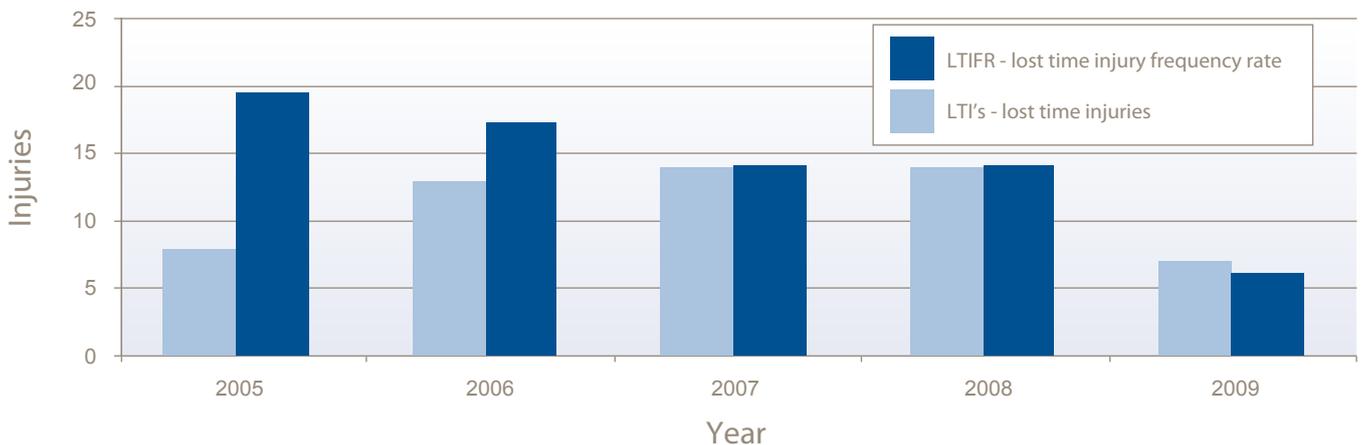


Production & Safety Highlights

Panoramic Resources Limited Metal Production (Equity Basis)



Panoramic Resources Limited Safety Record

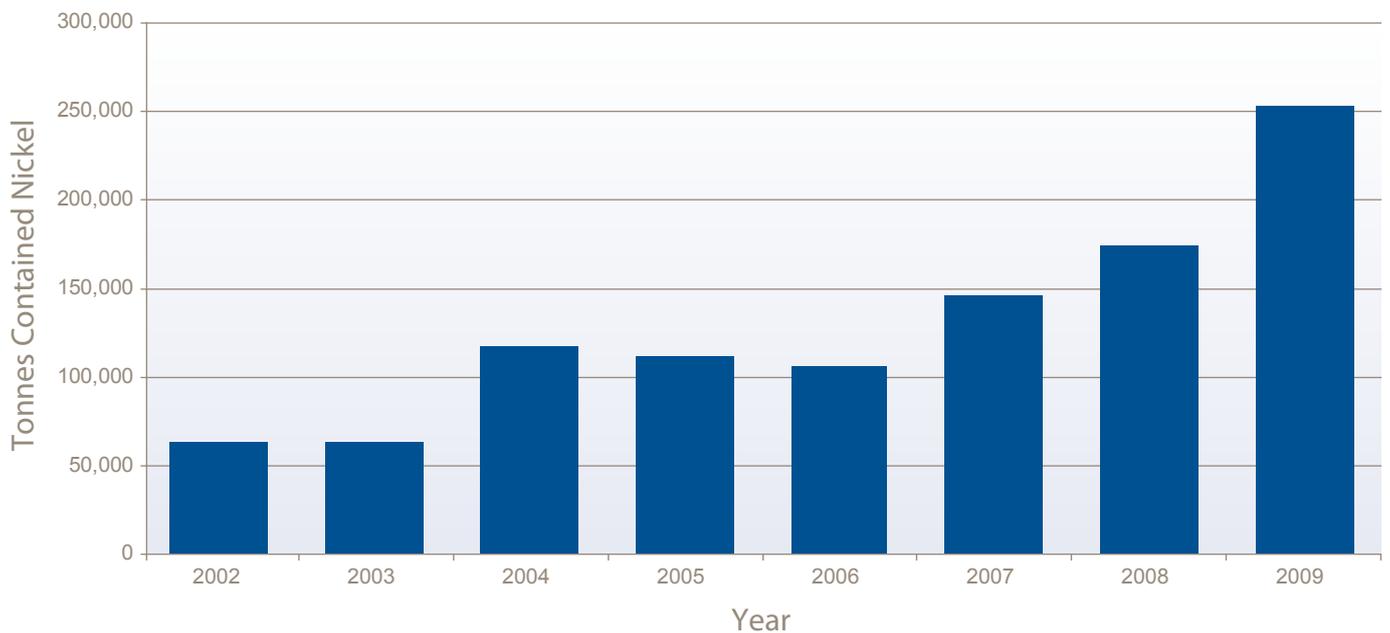


- Record group metal production (equity basis) of 17,928 tonnes contained nickel, 5,084 tonnes contained copper and 424 tonnes contained cobalt
- Lanfranchi production increased 46% to 10,690 tonnes contained nickel
- Group nickel production increased 26% for the year
- The LTIFR has decreased from 19.7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

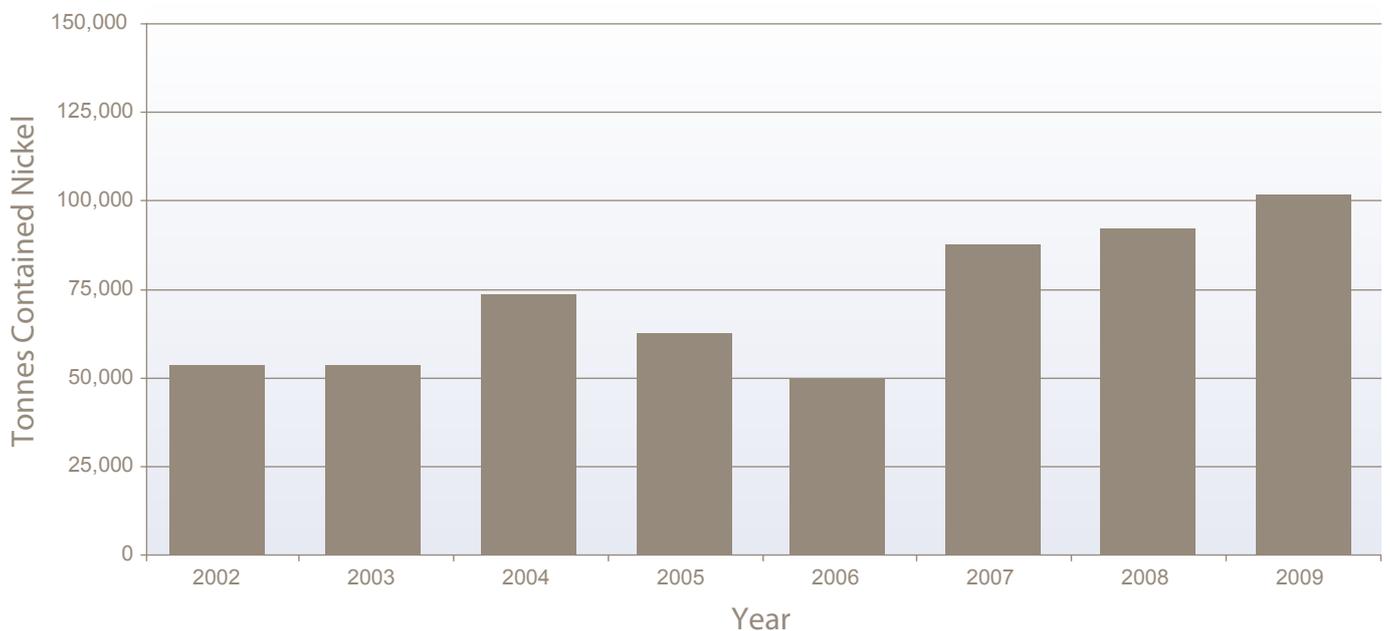
Area	Details	Units	2008/09	2007/08
			Full Year	Full Year
Savannah Project				
Mining	Ore mined	dm ^t	684,237	689,324
	Ni grade	%	1.35	1.26
	Cu grade	%	0.65	0.62
	Co grade	%	0.07	0.07
Milling	Ore milled	dm ^t	679,178	688,486
	Ni grade	%	1.35	1.26
	Cu grade	%	0.65	0.62
	Co grade	%	0.07	0.07
	Ni Recovery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

Resource & Reserve Highlights

Panoramic Resources Limited Resources



Panoramic Resources Limited Reserves



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

Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal Tonnes	
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	Tonnes	(%)		
Savannah Project													
Savannah	100%	Nickel	Jul-09	1,364,000	1.71	4,619,000	1.50	66,000	0.65	6,049,000	1.53	92,800	
		Copper			0.83		0.81		0.25		0.81	48,800	
		Cobalt			0.09		0.08		0.04		0.08	4,800	
Copernicus Project													
Copernicus	60%	Nickel	Jul-09	233,000	1.08	240,000	1.38	14,000	1.01	487,000	1.23	6,000	
		Copper			0.66		0.99		0.70		0.82	4,000	
		Cobalt			0.04		0.05		0.03		0.04	200	
Lanfranchi Project													
Cruikshank			Jul-09	-	-	-	-	2,165,000	1.23	2,165,000	1.23	26,600	
Deacon			Jul-09	-	-	2,285,000	2.95	16,000	2.75	2,301,000	2.95	67,900	
Gigantus			Jul-09	-	-	-	-	999,000	1.34	999,000	1.34	13,400	
Helmut South			Jul-09	165,000	2.83	-	-	-	-	165,000	2.83	4,700	
John			Jul-09	-	-	-	-	606,000	1.08	606,000	1.08	6,500	
Lanfranchi			Jul-09	6,000	4.20	67,000	5.80	11,000	5.24	83,000	5.61	4,700	
Martin			Jul-09	-	-	44,000	3.88	6,000	3.50	50,000	3.83	1,900	
McComish			Jul-09	-	-	-	-	1,012,000	1.47	1,012,000	1.47	14,900	
Schmitz			Jul-09	-	-	75,000	4.55	11,000	3.58	86,000	4.43	3,800	
Winner			Jul-09	-	-	29,000	5.28	-	-	29,000	5.28	1,600	
Remnants			Jul-09	-	-	253,000	2.69	203,000	2.03	456,000	2.40	10,900	
				Total Nickel - 255,700 tonnes				Total Copper - 52,800 tonnes				Total Cobalt - 5,000 tonnes	

Reserve	Equity	Metal	Date of Reserve	Proven		Probable		Total		Metal Tonnes			
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)				
Savannah Project													
Savannah	100%	Nickel	Jul-09	-	-	2,161,000	1.26	2,161,000	1.26	27,200			
		Copper			-		0.00		0.61	13,200			
		Cobalt			-		0.06		0.06	1,400			
Copernicus Project													
Copernicus	60%	Nickel	Jul-09	-	-	219,000	1.03	219,000	1.03	2,300			
		Copper			-		0.63		0.63	1,400			
		Cobalt			-		0.04		0.04	100			
Lanfranchi Project													
Deacon			Jul-09	-	-	2,443,000	2.52	2,443,000	2.52	61,700			
Helmut South			Jul-09	153,000	2.15	-	-	153,000	2.15	3,300			
Lanfranchi			Jul-09	-	-	119,000	2.91	119,000	2.91	3,500			
Schmitz			Jul-09	-	-	87,000	2.66	87,000	2.66	2,300			
Winner			Jul-09	-	-	17,000	3.95	17,000	3.95	700			
				Total Nickel - 101,000 tonnes				Total Copper - 14,600 tonnes				Total Cobalt - 1,500 tonnes	

Notes:

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



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