

Quarterly Report



vision
commitment
results



29 April 2011

ASX: PAN

Quarterly Report for the period ending 31 March 2011

Significant Points

GROUP

- Safety - LTIFR increased from 8.0 to 10.3 due to three lost time incidents
- Cash and receivables – down to \$136 million after the acquisition of the Gidgee Gold Project (\$15.5 million) and the \$8.2 million interim dividend payment
- Costs - Group payable Ni cash costs of US\$5.95/lb Ni (inclusive of freight, shipping and royalties), down 10%
- Group Production - 4,166t Ni, up 3% quarter-on-quarter

SAVANNAH

- Production - 1,750t Ni in concentrate, up 26% (average mine grade of 1.43% Ni)
- Shipments – wet weather and road closure restrict concentrate shipments to 19,343t containing 1,487t Ni
- Costs - payable cash costs down 18% on the previous quarter to US\$6.16/lb Ni

LANFRANCHI

- Production – production of 2,416 t Ni in ore
- Costs - payable cash costs down 4% on the previous quarter to US\$5.78/lb Ni

GIDGEE GOLD PROJECT

- Work commenced on developing a production strategy
- Priority targets being identified for initial exploration activity

EXPLORATION

- Deacon/Helmut South - more hits within the new high-grade mineralised zone discovery down plunge of Helmut South
- Helmut South Extension - testing of down plunge EM anomalies returned narrow high-grade massive sulphides
- Cruickshank - upgraded Resource Statement (April 2011) released, 26% more nickel
- East Kimberley JV - numerous targets generated with testing expected to commence in the current quarter
- Drake (Scandinavia) - ten high quality Zn-Cu targets ready for drill testing

CORPORATE

- Acquisition - Gidgee Gold Project purchased
- Business Development - work continued on assessing a number of opportunities



Managing Director's Commentary

Safety and Environment – Unfortunately we recorded three lost time injuries during the quarter. Thankfully none of these injuries are not long term. We are continuing to work very hard with all stakeholders to improve our safety performance. The wet weather experienced in the Kimberley (1,103mm of rain was recorded at Savannah in the quarter) presented a number of difficult challenges to our Savannah operation, however site management and the general workforce coped well with the impact on operations (including restricted access to and from site, shortages of fuel and other supplies, localised flooding, road closures, slippery driving conditions, lightning strikes). Significantly, work continued on raising the embankment of the tailings storage facility and other associated earthworks despite the numerous interruptions. The large volume of stored water on site in various catchments (open pit, tailings dam and water storage facility) from the heavy rainfall required very careful management to mitigate any associated risks.

- **Production** - a total of 239,549 tonnes of ore was mined at an average grade of 1.74% Ni. Total Group nickel production contained in concentrate/ore was 4,166 tonnes, up 3% quarter-on-quarter. Despite having to deal with extreme weather conditions, Savannah was able to record a 26% increase in production by accessing higher grade areas of the mine after the previous quarter's restrictions in underground activities due to ventilation fan issues. At Lanfranchi, unexpected maintenance downtime on several units of the underground mobile fleet resulted in below budget production. Based on production year-to-date and forecasts, group nickel production guidance for the full year has been revised to a range between 17,000 to 17,200 tonnes.
- **Liquid Assets** - cash on hand and receivables totalled \$136 million, down 9% from \$150 million at 31 December 2010. Significant cash payments included the \$15.5 million payment for the Gidgee Gold Project and \$8.2 million for the 4 cents per share, fully franked, interim dividend. Some sales revenue at Savannah was deferred by the disruption to the trucking of concentrate to the port at Wyndham because of the closure of the northern highway on several occasions due to extensive flooding.
- **Gidgee Gold Project** – there is a high level of confidence about the future prospects of this project given the potential to:
 - cut back previously mined open pits;
 - identify additional gold mineralisation within several areas where little or no meaningful exploration has been undertaken by previous owners;
 - review potential to re-treat tailings; and
 - follow up significant copper mineralisation.
- **Exploration** – the increase in focus and expenditure is continuing to reap rewards as reflected in the following quarterly highlights:
 - Drilling of two EM anomalies on the east side of Deacon has confirmed that mineralisation on the Helmut South Extension channel continues down-plunge.
 - A potential new channel discovery with high grade massive sulphides intersected 50 metres east of Helmut South.
 - Completion of the infill drill program on the large Cruickshank deposit at Lanfranchi with better grades and more consistent mineralisation than anticipated, as reflected in the new Cruickshank Upgraded Resource (*Appendix 1*).
 - Drill programs finalised so that drill program can commence on ten high priority Cu-Zn targets on the Panoramic / Drake JV areas in Finland.
- **Cost Management** – In the March quarter, the Group's average payable nickel cash cost was US\$5.95/lb. This represented a 10% fall from the previous quarter when unit costs were temporarily up on lower nickel production at Savannah due to the ventilation issues. The reduction would have been greater had it not been for the very strong Australian dollar. As always, we remain focused on managing costs in all segments of our business.
- **Hedging** – The Company took advantage of the recent spike in the nickel price and added 1,200t of nickel forwards at US\$27,545/t (US\$12.49/lb) for FY2012 and 675t of nickel forwards at US\$26,468/t (US\$12.00/lb) for FY2013.



Group Summary

The Panoramic Group A\$ cash margin, on a payable nickel basis, is shown in Figure 1 which records the Panoramic Group payable nickel unit cash costs on a quarterly basis from the March quarter 2009, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period sale adjustments).

Figure 1 - Cash Margin & Payable Costs

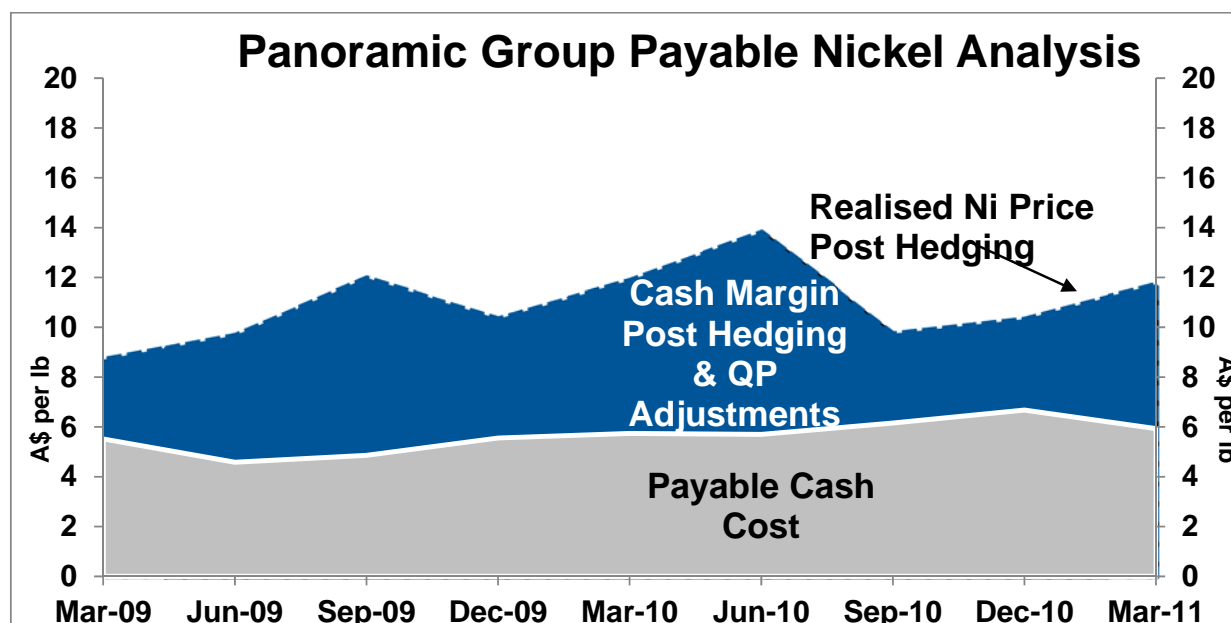


Table 1: Group Production & Unit Costs

	Units	Savannah 3mths ending 31 Mar 2011	Lanfranchi 3mths ending 31 Mar 2011	Total Group 3mths ending 31 Mar 2011	Total Group Previous Qtr Dec 2010
Ore Mined	dmt	143,211	96,338	239,549	288,910
Ore Treated	dmt	142,203	100,287	242,490	237,535
Average Mined Nickel Grade	%	1.43	2.51	1.74	1.50
Nickel in Concentrate/Ore	tonnes	1,750	2,416	4,166	4,042
Copper in Concentrate/Ore	tonnes	878	232	1,110	998
Cobalt in Concentrate/Ore	tonnes	94	-	94	80
Costs Per Pound Payable Nickel					
Mining	A\$ per lb	3.86	3.89	3.88	4.31
Milling	A\$ per lb	1.44	1.20	1.31	1.41
Administration	A\$ per lb	1.81	0.25	0.97	1.12
Haulage	A\$ per lb	0.26	0.20	0.23	0.26
Port Charges/Shipping	A\$ per lb	0.26	-	0.12	0.08
Royalties	A\$ per lb	0.70	0.50	0.59	0.52
Net By-product Credits	A\$ per lb	(2.20)	(0.28)	(1.17)	(1.03)
Payable Operating Cash Costs^(a)	A\$ per lb	6.13	5.76	5.93	6.67
Payable Operating Cash Costs^(b)	US\$ per lb	6.16	5.78	5.95	6.58

^(a) Group capital development cash cost for the quarter was A\$1.29/lb. This cost is not included in Table 1. Capital development costs represent capitalised mining cash costs for deposits in production. These costs do not include pre-production costs for deposits being developed for future mining.

^(b) Average March 2011 quarter RBA US\$/A\$ settlement rate of US\$1.0042 (Average December 2010 quarter exchange rate was US\$0.9874).



Safety

The Panoramic safety steering committee met during the quarter to review progress and to refine targets for 2011/12. Unfortunately there were three lost time injuries (LTI's) at the operations and the Group LTIFR increased to 10.3. The injuries were from lifting (strain), jarring (back strain) and a manual handling injury (cut hand). Construction of the Lanfranchi accommodation village has commenced and completion is expected in August. This is a major step forward to improve culture, manage fatigue and provide an improved lifestyle for employees at Lanfranchi.

Other program and work streams were used to support improvements in occupational, health and safety (OHS) performance, including:

- a new management system for emergency response and crisis management;
- leadership training and safety interactions; and
- the development of a new company-wide integrated management system.

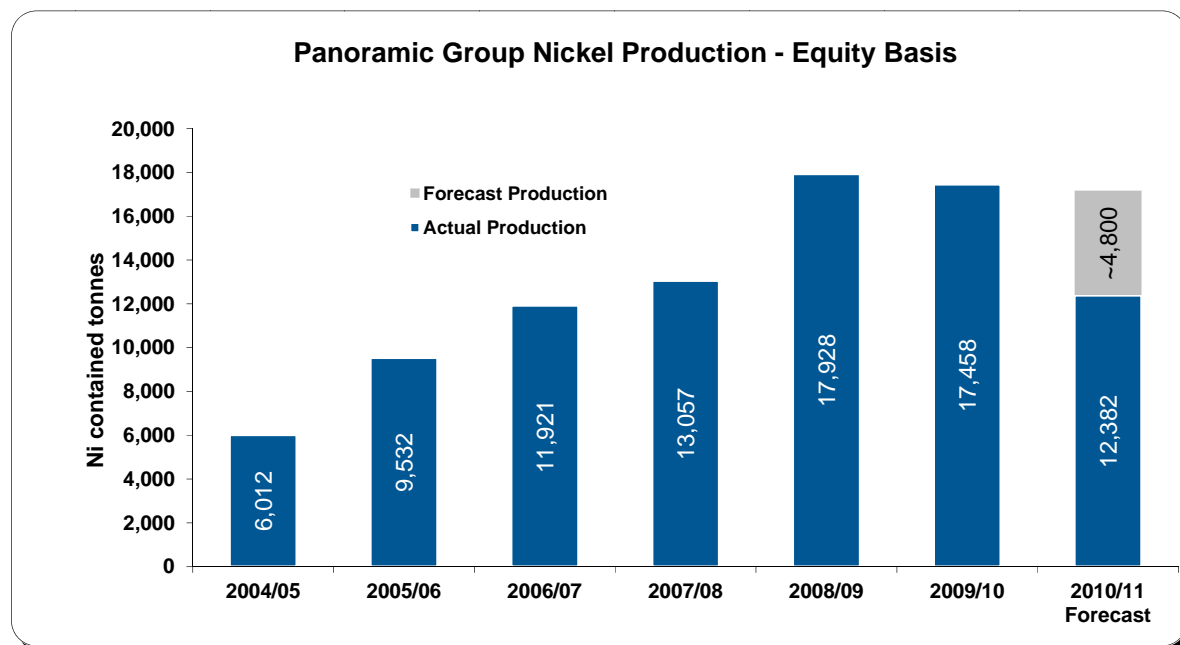
Environment

Despite the extreme weather conditions, the construction of the 3m lift of the Savannah tailings embankment and associated new water storage facilities progressed well. These earthworks are scheduled to be completed in May. During the periods of heavy rain, the operation did well to manage the risks associated with the large volume of water stored in the various catchments (open pit, tailings dam and water storage facility).

There were no significant environmental incidents recorded.

Group Production – Actual & Forecast

Figure 2 – Actual Group Production & Forecast for 2010/11



Notes

1. Savannah production is based on nickel in concentrate
2. Lanfranchi production is based on nickel in ore
3. Copernicus production in 2009/10 was based on nickel in concentrate



Savannah Project

The Savannah Project produced 1,750t Ni, 878t Cu and 94t Co contained, which was slightly above budget. Pleasingly, the milled nickel head grade was 22% up on the previous quarter to 1.43% as the mine was able to access higher grade stopes, following a return of the ventilation system to near full capacity. As a consequence of the higher nickel grade and increased mill throughput, payable unit cash costs were 18% lower than the December quarter.

Concentrate shipments were adversely affected by the above average rainfall throughout the East Kimberley region in February and March. The main highway between site and Wyndham was closed on several occasions from flood damage to bridges and roads which disrupted the trucking of concentrates to the port. Without the efforts of the state's Main Roads department road crews to re-open the highway, the volume of concentrate shipments to China would have been further impacted.

As a result of the reduced concentrate shipments, approximately 4,500t of concentrate at a current value of \$7 million remained on site at the end of the quarter. This remaining concentrate on hand will be shipped in the current quarter.

Table 2 – Savannah Project Operating Statistics

Area	Details	Units	3 mths ending 31 Mar 2011	3 mths ending 31 Dec 2010	2010/11 YTD	2009/10 Full Year
Mining	Ore mined	dmt	143,211	144,532	445,333	671,922
	Ni grade	%	1.43	1.17	1.33	1.25
	Cu grade	%	0.63	0.61	0.63	0.62
	Co grade	%	0.07	0.07	0.07	0.06
Milling	Ore milled	dmt	142,203	138,687	440,343	673,894
	Ni grade	%	1.43	1.19	1.33	1.25
	Cu grade	%	0.63	0.61	0.63	0.62
	Co grade	%	0.07	0.07	0.07	0.06
	Ni Recovery	%	85.7	84.5	85.9	86.3
	Cu Recovery	%	95.2	94.5	95.7	96.3
	Co Recovery	%	88.5	86.8	88.4	90.1
Concentrate Production	Concentrate	dmt	22,532	18,704	66,081	94,861
	Ni grade	%	7.77	7.44	7.62	7.67
	Ni metal contained	dmt	1,750	1,392	5,035	7,273
	Cu grade	%	3.90	4.26	4.07	4.24
	Cu metal contained	dmt	878	796	2,688	4,019
	Co grade	%	0.42	0.43	0.41	0.41
	Co metal contained	dmt	94	80	273	387
Concentrate Shipments	Concentrate	dmt	19,343	19,062	64,795	96,392
	Ni grade	%	7.69	7.53	7.60	7.69
	Ni metal contained	dmt	1,487	1,435	4,925	7,414
	Cu grade	%	3.89	4.15	4.08	4.16
	Cu metal contained	dmt	753	792	2,641	4,007
	Co grade	%	0.40	0.41	0.40	0.40
	Co metal contained	dmt	79	79	261	384



Lanfranchi Project

Production from Lanfranchi was 96,338t of ore at 2.51% Ni for 2,416t Ni contained. Nickel metal in ore was 9% below the previous quarter. The main reason for the below budget production was lower availability of the underground equipment fleet due to premature major component failures on several of the trucks and loaders. The paste plant operations were also restricted whilst a new paste delivery hole to the underground workings was being drilled. This new hole has now been completed.

The preparation site works for the new accommodation village were completed during the quarter. The pre-fabricated camp buildings and accommodation units are scheduled to be delivered to site during May and commissioning is targeted for August 2011.

Table 3 – Lanfranchi Project Operating Statistics

Area	Details	Units	3mths ending 31 Mar 2011	3mths ending 31 Dec 2010	2010/11 YTD	2009/10 Full Year
Mining	Ore mined	dmt	96,338	105,378	299,630	398,920
	Ni grade	%	2.51	2.51	2.45	2.54
	Ni metal contained	dmt	2,416	2,650	7,347	10,122
	Cu grade	%	0.24	0.21	0.22	0.21
Ore Delivered	Ore delivered	dmt	100,287	98,848	296,341	407,011
	Ni grade	%	2.53	2.47	2.47	2.48
	Ni metal contained	dmt	2,539	2,444	7,306	10,105
	Cu grade	%	0.24	0.21	0.22	0.21

Gidjee Gold Project

In February 2011, Panoramic purchased the Gidjee Gold Project from Apex Minerals Limited. The Gidjee Gold Project is located 640kms northeast of Perth and includes a 600,000tpa process facility (not in operation), a 150 person camp, airstrip, and a significant tenement package containing 310,000oz of gold in resource (*Table 4*), and substantial exploration upside. The project covers an area of approximately 1,200kms² of the Gum Creek greenstone belt (*Figure 3*). The central core of the area is held as granted Mining Leases, which cover a 70km long structural corridor, containing numerous occurrences of gold mineralisation.

The Gidjee Gold Project was mined almost continuously from 1987 to 2005 when the project was placed on care and maintenance. Approximately twenty open pits were mined on near surface gold mineralisation, and underground mining was undertaken beneath the Swan Bitter and Kingfisher pits.

Table 4: Gidjee Gold Project Resource Summary

Locality	Measured			Indicated			Inferred			Total		
	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz
Premium – Cascade U/g ⁽ⁱ⁾	-	-	-	68	10.8	24	62	7.7	15	131	9.3	39
Other U/g ⁽ⁱⁱ⁾	30	10.4	9	87	10.1	28	549	7.4	130	663	7.8	167
Various Open Pits ⁽ⁱⁱⁱ⁾	0	-	-	1,048	3.1	103	0	0.0	0	1,048	3.1	103
TOTAL	30	10.4	9	1,203	4.0	155	611	7.4	145	1,844	5.2	310

(i) Resource estimated by Apex Minerals NL (ASX:AXM) at a 4.5g/t Au lower cut off and reported in AXM's 2009 Annual Report

(ii) Resource estimated by Legend Mining Limited (ASX:LEG) at a 3 g/t Au lower cut off and reported in LEG's 2006 Annual Report

(iii) Resource estimated by Legend Mining Limited (ASX:LEG) at a 1.3 g/t Au lower cut off and reported in LEG's 2006 Annual Report



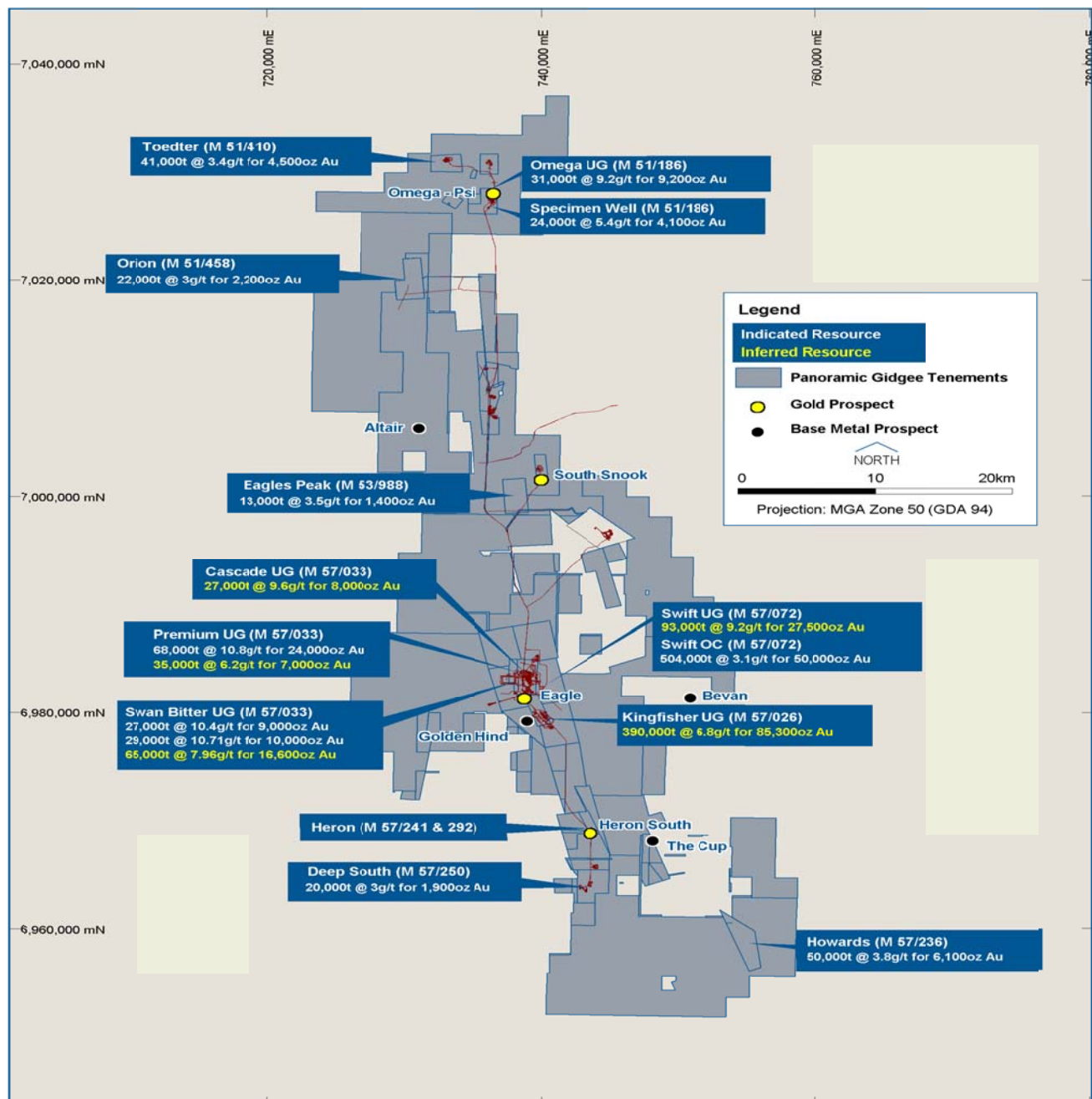
Production Strategy

The Company has commenced a detailed analysis of all project data. The first stage of the new production strategy is to build up a comprehensive resource and reserve profile and develop mine plans from open pit optimisations and scoping studies which can support the re-commissioning of the existing Gidgee gold processing plant. The Company's initial target is to define 3Mt at 5 g/t Au for 500,000oz Au in reserves, using Au cut-off grades that recognise the significant increase in the gold price since gold production ceased at Gidgee.

Exploration

The Gidgee Gold Project has excellent exploration potential as further discussed in the exploration section of this report.

Figure 3 – Gidgee Project Area





Copernicus Joint Venture (Panoramic 60%)

Copernicus Open Pit

The open pit mine remains on care and maintenance. Re-starting the mine is an option given the current attractive US\$ nickel price, however, the strong Australian dollar does negatively impact on forecast cash flows. Tailings storage capacity to enable the processing of Copernicus ore at the Savannah process plant is also an issue that needs clarification, and is being considered as part of the Savannah Project's long term tailings management strategy.

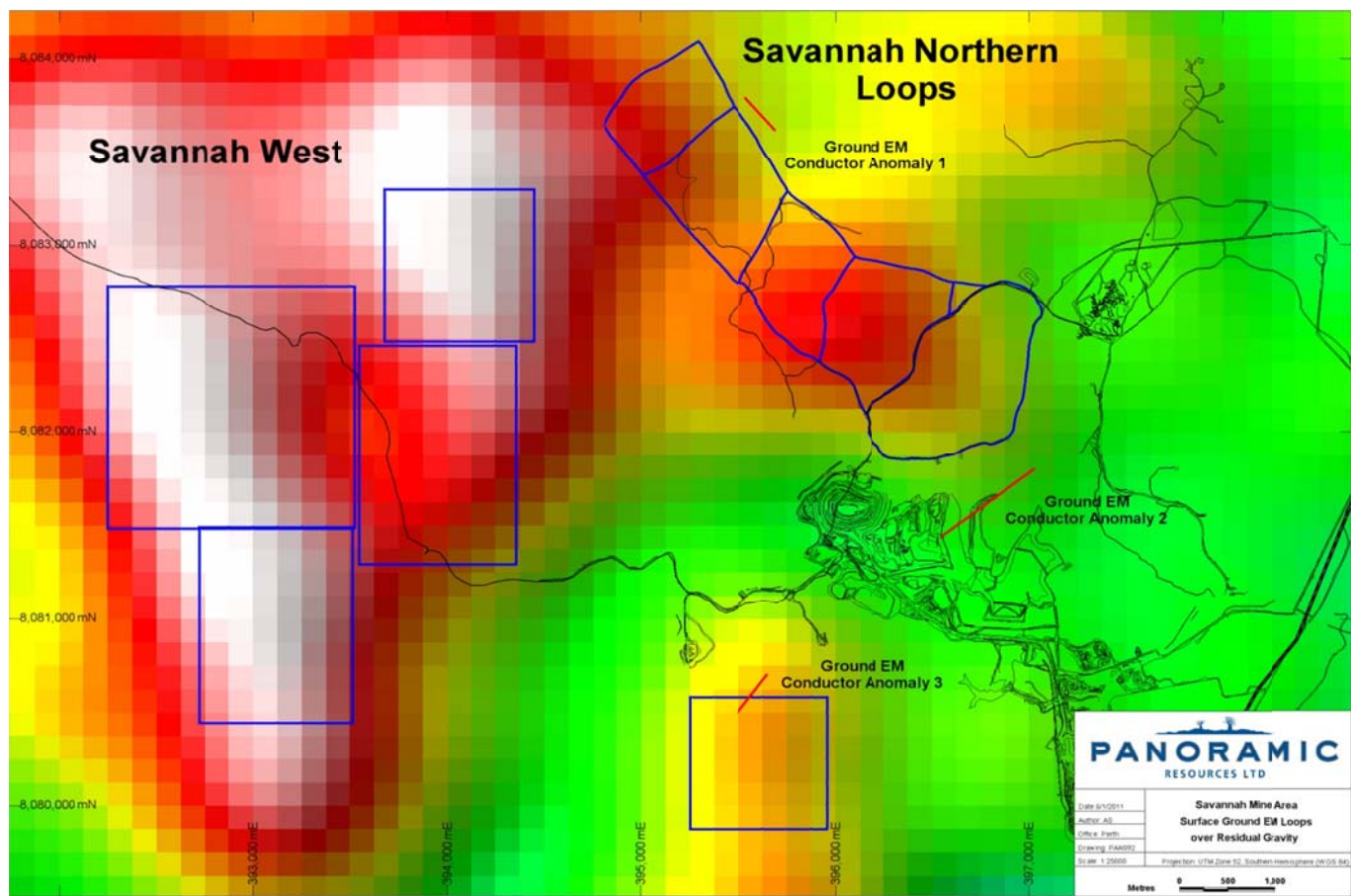
Exploration

Savannah & East Kimberley Regional

Savannah

Drill testing of the three high priority electromagnetic (EM) targets previously identified around the Savannah mine area (*Figure 4*) had to be postponed due to the above average heavy rainfall experienced in the quarter. The drilling has been rescheduled to commence in the current quarter.

Figure 4 – FLEM survey areas Savannah West and Savannah Mine





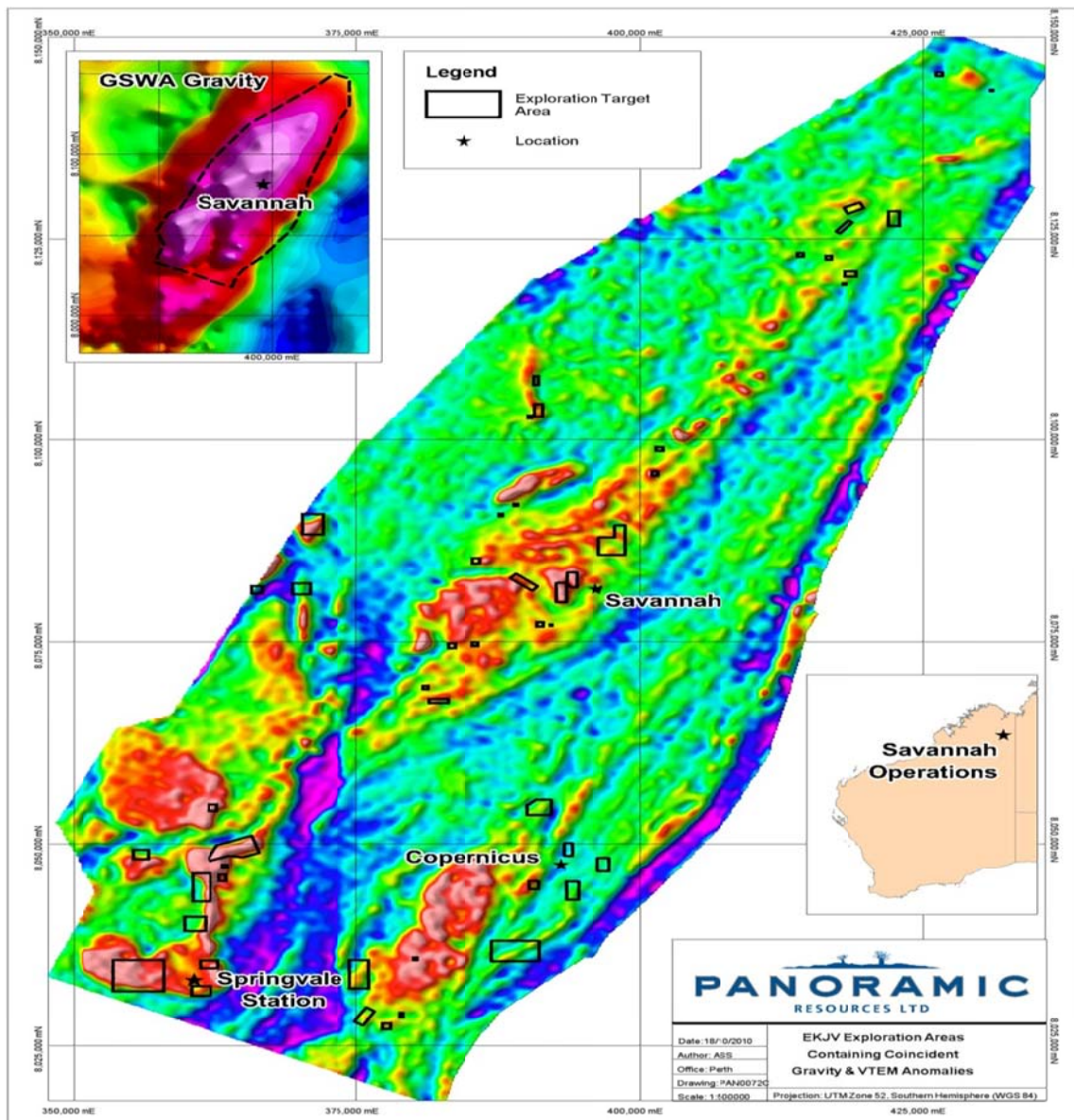
East Kimberley JV (Panoramic 61%)

Regional

Since July 2009, Panoramic has spent over \$3 million on the East Kimberley JV regional tenements, and under the farm-in agreement with Thundelarra Exploration Ltd has now earned a 61% interest in these tenements.

Processing and interpretation of the East Kimberley JV regional airborne gravity and airborne electromagnetic (VTEM) surveys data is now complete. Numerous target areas have been identified for either follow-up ground geophysical surveys or immediate drill testing (*Figure 5*). Panoramic has commenced negotiations with the Kimberley Land Council (KLC) on behalf of the Traditional Owners in order to gain access to the target areas.

Figure 5 – EKJV regional gravity gradiometer survey area showing VTEM survey areas





Lanfranchi Project

Overview

Surface and underground exploration drilling continued at Lanfranchi. Surface drilling focussed on the Cruickshank Resource up-grade program, while underground drilling focussed on the Helmut South Extension and Deacon areas.

Helmut South Extension

Exploration drilling on the new discovery zone at Helmut South continues to return significant intersections as previously announced. Numerous holes intersected significant, high grade massive sulphide mineralisation grading from 5-8% nickel (*Figure 6*). Drilling has defined a continuous zone of mineralisation extending over 300m down plunge, and downhole EM is providing further positive signs that the mineralisation extends beyond the recent extension drilling.

Drilling of the two moderate off-hole EM anomalies in drill holes HS609, HS612, on the east side of Deacon supporting the extension to the Helmut South mineralisation, returned encouraging results in holes HS610 and HS661. Hole HS610 was drilled approximately 100 metres down-plunge of resource infill drilling and intersected 8.05m @ 1.05%Ni, including 1.85m @ 2.02%Ni and 0.23m of high grade massive sulphides grading 6.21%Ni. HS661 was drilled to test an off-hole EM conductor approximately 50 metres east of the Helmut South mineralisation and returned 0.59m of high grade massive sulphides grading 5.61.%Ni, indicating the potential for a new channel position east of the Deacon-Helmut South Channel. These latest results are shown in bold in Table 5 below and were included in a separate ASX announcement on 27 April 2011.

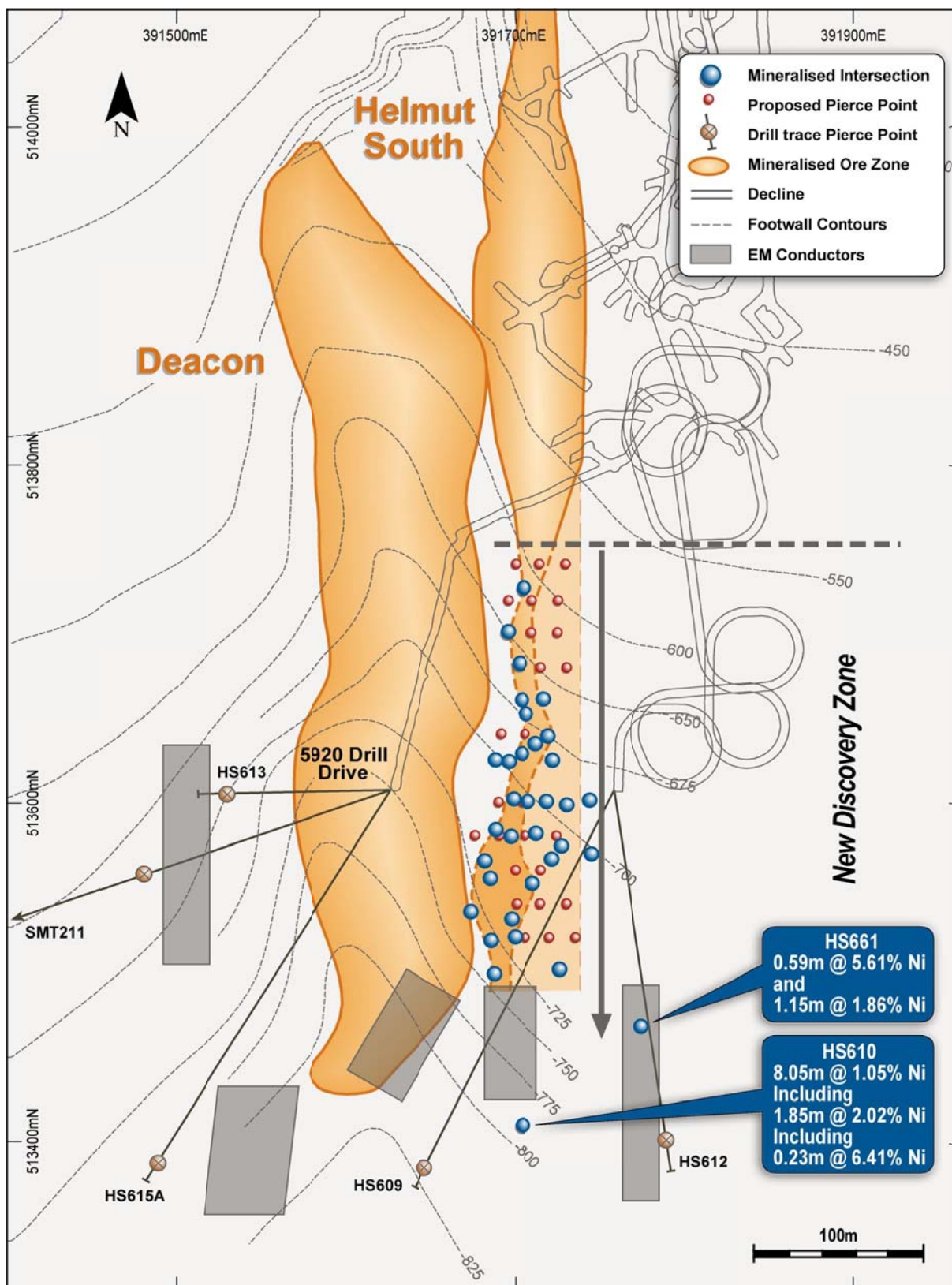
A preliminary Helmut South Extension Resource estimate is due for release in the current quarter.

Table 5 – Helmut South Extension drill results (with the latest results shown in bold)

Drill hole	Section (mN)	Interval (m)	Ni %
TD5938W3	513726	0.75	4.70
HS647	513700	3.40	7.16
HS298	513680	2.10	3.64
HS617	513660	6.47	4.65
including		3.16	7.66
HS621	513620	9.18	3.37
Including		2.13	7.43
HS622	513620	1.57	5.98
HS623	513620	3.26	2.45
HS624	513600	3.17	2.03
HS625	513600	2.97	6.83
HS626	513600	5.61	5.84
including		2.98	8.86
HS627	513580	4.85	5.43
including		2.75	8.59
HS629	513580	8.11	5.85
including		4.70	8.59
HS593	513560	8.60	6.51
HS631	513555	2.26	1.74
HS602	513550	10.3	1.22
HS604	513540	7.30	7.44
HS605	513530	5.16	5.75
including		3.58	6.07
HS598	513520	5.15	6.07
HS610	513410	8.05	1.05
including		1.85	2.02
including		0.23	6.21
HS647	513700	3.40	7.16
HS661	513490	1.15	1.86
HS661	513490	0.59	5.61



Figure 6 – Helmut South Extension – EM Plate Drilling Results





Deacon-Schmitz Drilling

Five exploration holes were completed with follow up downhole EM. The drill holes were designed to test for potential new areas of mineralisation and channel extensions about the Deacon and Schmitz orebodies. EM anomalies requiring follow-up drilling were identified in the five drill holes, as follows (*Figure 6*):

- western side of the Deacon channel, strong off-hole EM anomalies (HS613, SMT211);
- moderate strength off-hole EM anomaly down plunge of Deacon (HS615A); and
- moderate to strong off-hole anomaly on the east side of Deacon supporting the extension to the Helmut South mineralisation (HS609, HS612). Testing of these anomalies was completed during the quarter as reported above.

Lanfranchi Orebody Extension

Due to drill commitments in other areas, no drilling was undertaken on the Lanfranchi orebody. Drilling is scheduled to resume in the current quarter.

Cruickshank Resource Upgrade (April 2011)

The Cruickshank resource upgrade drill program was completed. A total of 54 drill holes comprising 5,619m reverse circulation (RC) and 7,888m of diamond core was completed for a total of 13,508 drill metres. Of the 54 completed drill holes, 42 were mineralised at greater than 0.50% Ni (*Figure 7 and Table 6*). The Cruickshank Resource has been re-estimated (*Appendix 7*) and was released as an ASX announcement on 28 April 2011.

Figure 7 – Cruickshank Resource (April 2011) – showing mineralised infill resource drill holes

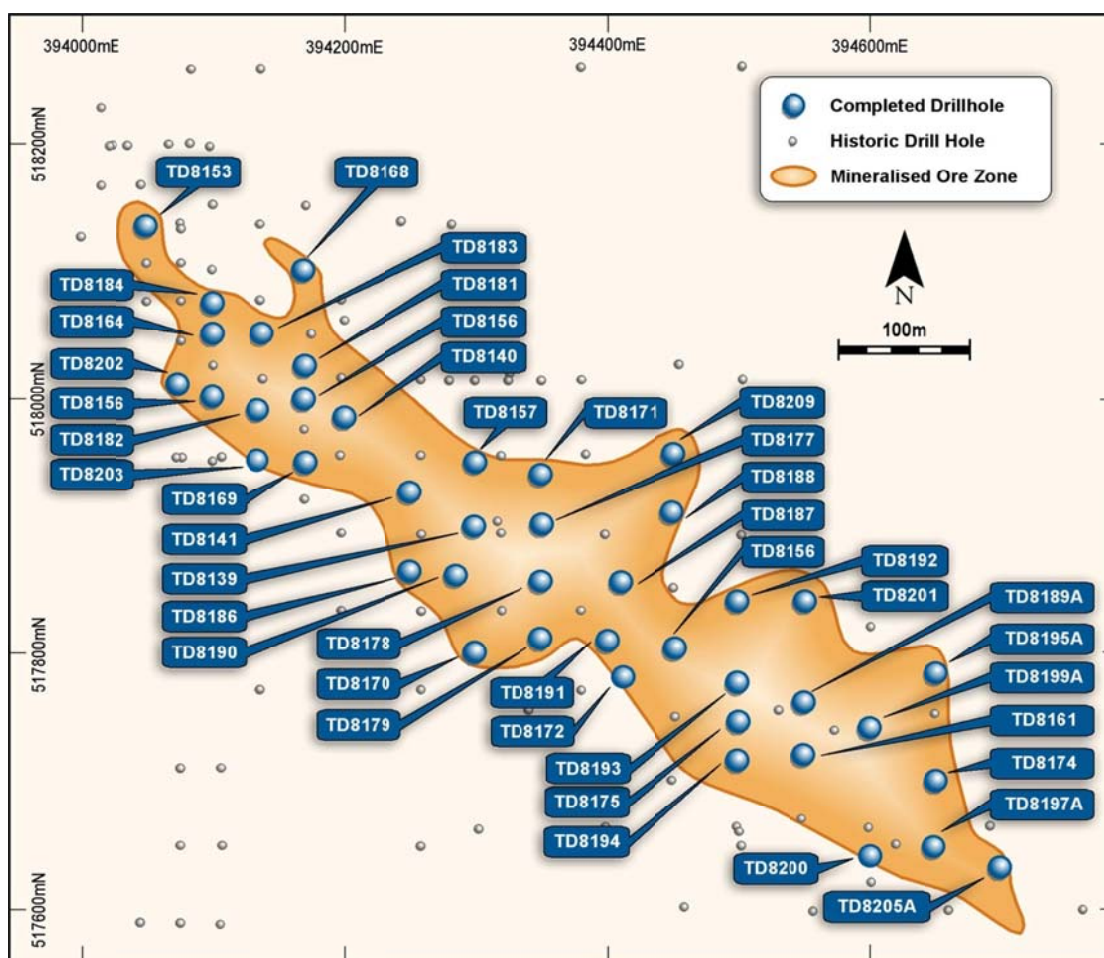




Table 6 – Cruickshank drill results

Drill hole	Section (mE)	Interval (m)	Ni %
TD8153	394050	9.00	1.19
TD8202	394075	1.00	1.05
TD8165	394100	2.30	1.85
TD8164	394100	3.40	0.95
and		3.50	1.54
TD8184	394100	2.00	2.12
and		2.00	1.24
TD8203	394135	1.00	1.45
TD8182	394135	5.00	1.11
TD8183	394138	5.00	1.34
TD8169	394170	4.60	2.03
TD8156	394170	4.55	1.45
and		2.70	3.06
TD8181	394170	4.00	1.37
TD8168	394170	1.40	0.87
TD8140	394200	7.00	1.72
TD8141	394250	6.98	1.79
TD8186	394250	8.40	1.84
TD8190	394285	3.85	1.41
TD8170	394300	3.15	1.62
TD8139	394300	5.45	1.42
TD8157	394300	1.00	0.83
TD8179	394350	2.45	1.87
and		1.45	0.98
TD8178	394350	0.20	1.75
TD8177	394350	3.80	1.68
TD8171	394350	1.50	1.22

Drill hole	Section (mE)	Interval (m)	Ni %
TD8172	394410	2.20	1.57
TD8191	394400	3.75	1.42
TD8187	394410	9.50	1.77
including		5.50	2.37
TD8158	394450	6.30	2.08
TD8188	394450	5.00	1.05
and		1.05	2.91
TD8209	394450	1.25	1.30
and		4.10	1.09
TD8194	394500	5.90	2.21
TD8175	394500	13.25	2.01
TD8193	394500	13.00	2.16
and		7.50	1.32
TD8192	394500	1.00	0.88
TD8161	394550	16.50	2.10
TD8189A	394550	18.70	2.17
TD8201	394550	1.40	1.06
TD8200	394600	2.00	1.58
and		1.15	1.63
TD8199A	394600	7.80	1.56
TD8197A	394650	4.60	1.24
TD8174	394650	4.20	1.50
and		5.10	2.01
TD8195A	394650	9.00	1.16
TD8205A	394700	3.80	1.40

Gidgee Gold Project

Since acquiring the Gidgee Gold Project in February 2011, Panoramic has commenced work to restart exploration at Gidgee with the aim to identify, rank and drill targets in the second half of 2011. Exploration activities that commenced during the quarter include:

- the compilation and ranking of existing targets;
- a regional litho-geochemical and ASD sampling program;
- database validation and GIS compilation;
- detailed gravity surveys over several key areas (completed);
- 3D inversion modeling of regional aeromagnetic data;
- mapping of old pits; and
- a review of existing resources.

Cowan Nickel Project W.A. (Panoramic holds 100% nickel rights)

Two RC drill holes were completed on the Cowan Nickel Project. The two holes complete a drill program that commenced in the previous quarter to test a series of moving-loop electromagnetic (MLEM) anomalies. Disappointingly, sulphidic cherty sediment horizons were intersected and not nickel sulphides.

Norrland Nickel JV, Sweden (Panoramic earning up to 70%)

No field activity during the quarter. A review of the 2010 drill results is continuing.



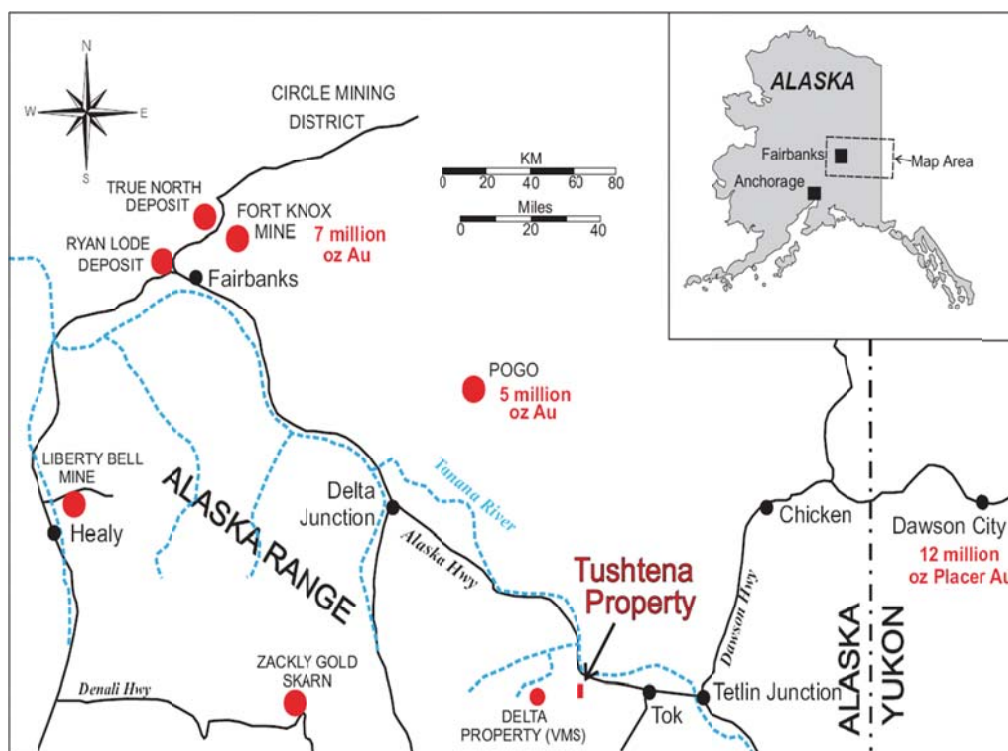
Bluebush Copper-Gold JV, Northern Territory (Panoramic earning up to 80%)

A review of the Bluebush JV has concluded that all the Cu-Au geophysical drill targets on which Panoramic entered the JV have been adequately tested and warrant no further work. A small aircore programme has been approved to test the phosphate potential of the Bluebush tenements prior to making a decision on the project's future. This drilling will be completed in the current quarter.

Tushtena Gold Project - Alaska

Interpretation of the geological data collected from the 2010 northern summer diamond drill program at Tushtena continued. Despite the disappointing drill results, the findings from the 2010 drill program are that the alterations zones and sulphide veins encountered in the drill holes are similar to the gold mineralisation identified in the surface sampling and historic drill holes. The geological model for Tushtena has been reinterpreted in light of the 2010 drill program and new targets identified for possible testing later in 2011.

Figure 8 – Tushtena Gold Project location diagram



Drake Resources Exploration Alliance – Scandinavia

In July 2010, Panoramic negotiated an alliance with Drake Resources Limited (Drake) to identify, explore and develop base and precious metal opportunities across Scandinavia.

The alliance will allow Panoramic to expand its portfolio of exploration projects and benefit from Drake's exploration expertise in the region. Drake has experienced exploration geologists who have generated a number of highly prospective projects.

As part of the alliance, two joint ventures areas have been finalised to explore for Palaeoproterozoic volcanic massive sulphide (VMS) style copper zinc mineralisation in Finland. The Kangasjarvi and Savia JV areas are located in the Pyhasalmi-Vihanti region of the Fennoscandian Shield of Finland (Figure 9). The Fennoscandian Shield is one of the most intensely and varied mineralised Palaeoproterozoic terrains in the world, including VMS, iron oxide Cu-Au, orogenic gold and layered intrusions.



Current Exploration

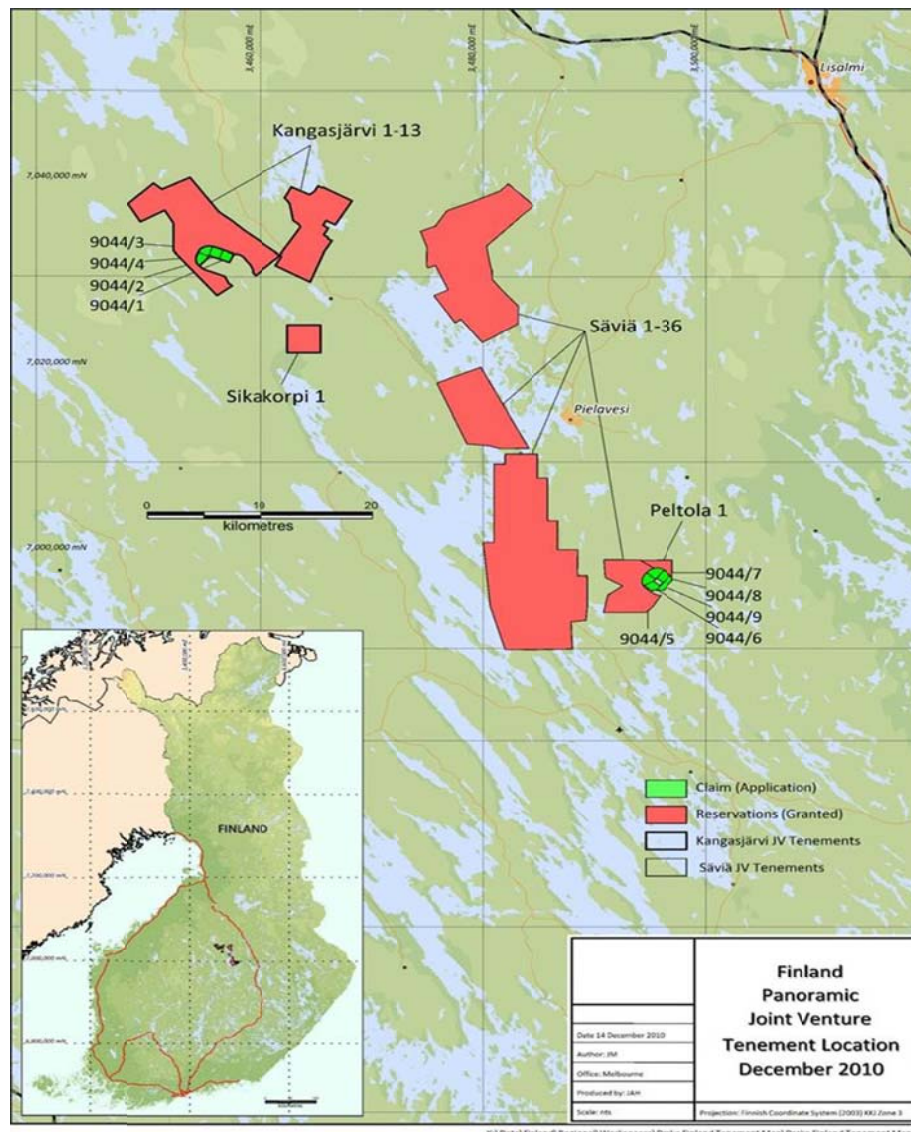
Finland

Ten high priority copper-zinc targets were identified for follow up from the 2,675 line km detailed airborne electromagnetic (VTEM) survey flown in the September 2010 quarter. On five of these targets, ground EM surveying was completed to better define the targets prior to drill testing. Drill designs for ten diamond drill holes have been prepared to test each of the high priority targets. Access agreements have largely been finalised with local landowners and a preferred drilling contractor has been identified. It is anticipated that drilling will commence in May.

Other

During the quarter, the Drake / Panoramic Generative Alliance undertook technical and commercial due diligence on a number of opportunities elsewhere in Scandinavia. Several of these opportunities are currently under review by Panoramic.

Figure 9 – JV Reservation and Claim Areas in Finland





Corporate

Liquid Assets & Debt

Cash on hand at the end of the quarter was \$96 million plus receivables of \$40 million, for a total of **\$136 million in current liquid assets**. Significant cash payments during the quarter included \$15.5 million for the Gidgee Gold Project and \$8.2 million for the fully franked interim dividend. Sales revenue from Savannah was adversely affected by the disruption to the trucking of concentrate to the port by the closure of the Great Northern Highway on several occasions due to flooding. Using current metal prices and the prevailing A\$:US\$ exchange rate, approximately \$7 million of working capital was in unsold concentrate at the end of the quarter.

The Panoramic Group debt totalled \$2.1 million for finance leases on mobile equipment and financed insurance premiums.

Interim Dividend

On 25 March 2011, the Company paid a 4 cents per share fully franked interim dividend totalling \$8.2 million.

Investment in Listed Entities

As at 31 March 2011, the Company had investments in the following listed entities:

- Magma Metals (ASX & TSX: MMW) – 18.4M shares;
- Thundelarra Exploration (ASX:THX) – 2.5M shares; and
- Liontown Resources (ASX: LTR) – 2.8M shares.

The market value of these equity investments as at 31 March 2011 was approximately \$7.7 million.

Hedging

During the March quarter, the Company added the following hedging:

Nickel

- Sold forward on an unsecured basis, 1,200 tonnes of nickel hedge contracts at an average weighted forward price of US\$27,545/t (US\$12.49/lb) for delivery from July 2011 to June 2012;
- Sold forward on an unsecured basis, 675 tonnes of nickel hedge contracts at an average weighted forward price of US\$26,468/t (US\$12.00/lb) for delivery from July 2012 to March 2013; and
- Purchased 1,452t of nickel put options at US\$18,000/t (US\$8.16/lb) for delivery July to June 2012. The total cost of the put options was funded by granting 600t of nickel call options at US\$30,000/t (US\$13.61/lb) for delivery over the same period.

After the end of the quarter, the Company has added the following hedging:

US\$/A\$ FX Rate

- Purchased US\$12 million of currency put options at an average exercise US\$/A\$ FX rate of US\$1.07 for delivery July to December 2011.



The Company's metal, diesel and currency hedge book as at 31 March 2011 is summarised in Appendix 2.

Excluding the bought nickel put options (which can be exercised by the Company if the US\$ nickel price falls below US\$18,250/t), and assuming the sold nickel call options are all exercised against the Company, based on current forecast production (on a payable nickel basis), the Company is approximately 32% hedged for the remainder of FY2011, approximately 29% hedged for FY2012 and approximately 6% hedged for FY2013.

Table 7: Group Hedge Book – A\$ Mark-to-Market Valuation as at 31 March 2011

Commodity	Mark-to-Market 31 Mar 2011	Mark-to-Market 31 Dec 2010
Nickel Forwards	(\$6.2 million)	(\$9.8 million)
Bought Nickel Put Options	\$0.4 million	\$0.1 million
Sold Nickel Call Options	(\$1.3 million)	(\$0.6 million)
Bought Diesel Call Options	\$1.7 million	\$0.8 million
Bought US\$ Currency Put Options	\$0.4 million	\$1.2 million
Total Mark-to-Market	(\$5.0 million)	(\$8.3 million)

About the Company

Panoramic Resources Limited (ASX Code **PAN**, ABN 47 095 792 288) is an established Western Australian mining company operating two 100% owned underground nickel sulphide mines, the Savannah Project in the Kimberley, and the Lanfranchi Project 42km south of Kambalda. On a Group basis, Panoramic produced 17,458t nickel contained in FY2010 and is forecasting to produce around similar levels in FY2011. In February 2011, the Company acquired the Gidgee Gold Project, located 640kms north-east of Perth. Exploration and evaluation studies have commenced at Gidgee, with the aim of expanding the known 310,000oz gold resource. The Panoramic Group has strong cash reserves, no bank debt and is continually looking to grow its existing business through internal exploration success, outside acquisitions and/or joint ventures.

The information in this release that relates to Exploration Results is based on information reviewed by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee of Panoramic Resources Limited. Mr Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

Information in this report relating to the April 2011 Cruickshank Mineral Resource has been completed by Mr Andrew Bewsher of BM Geological Services Pty Ltd. Mr Bewsher is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bewsher consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Mineral Resources at Gidgee (Premium and Cascade) is based on studies commissioned and published by Apex Minerals NL which were compiled or reviewed by Mr Andrew Thompson as quoted in Apex Minerals 2009 Annual Report.

The information in this release that relates to Mineral Resources at Gidgee (excluding Premium and Cascade) is based on studies commissioned and published by Legend Mining and its consultant Dr Spero Carras, as quoted in Legend Mining's 2006 Annual Report.

Mr Thompson is a member of and Dr Carras a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thompson was a full time employee of Apex Minerals NL in 2009 and is currently employed by Corazon Mining Limited. Dr Carras was a consultant to Legend in 2006 and currently Executive Director of Carras Mining Pty Ltd and consults to numerous mining and exploration companies. Mr Thomson and Dr Carras consent to the inclusion in the release of the matters based on the information in the form and context in which it appears.



Appendix 1: Cruickshank – April 2011 Mineral Resource Estimate

Ni% cut-off	Class	Res-Zone	Tonnes	Ni %	Ni Tonnes	Cu %	Cu Tonnes
Inside 0.5%	Indicated	Main lens	2,018,300	1.42	28,720	0.12	2,465
model	Inferred	Main lens	610,850	0.79	4,840	0.07	405
Total			2,629,150	1.28	33,560	0.11	2,870
0.75%	Indicated	Main lens	1,907,400	1.47	28,060	0.13	2,390
	Inferred	Main lens	491,300	0.92	4,520	0.07	340
Total			2,398,700	1.36	32,580	0.11	2,730
1.0%	Indicated	Main lens	1,725,630	1.53	26,440	0.13	2,245
	Inferred	Main lens	114,770	1.12	1,280	0.08	95
Total			1,840,400	1.51	27,720	0.13	2,340

Notes:

The April 2011 Cruickshank Mineral Resource estimate has been prepared by BM Geological Services Pty Ltd and Panoramic geological personnel. The estimate is JORC compliant and is based on a 3D Surpac block model utilising a block size of 20m NS x 20m EW x 5m vertical with 5.0m x 5.0m x 1.25m sub-cells. All drill holes have been accurately located by an independent licensed surveyor and by down-hole Eastman and Reflex survey instruments. Grade interpolation is by Ordinary Kriging techniques using an oriented search ellipse based on the geometry of the mineralisation.

The tonnes and grade of the Mineral Resource estimate is the material constrained within the interpreted mineralisation model which was constructed on sectional wireframe interpretations to a 0.50% Ni cut-off grade. The sectional wireframes were joined to form a 3D model (solid) of the mineralisation. The Mineral Resource is largely classified as Indicated due to the good continuity of the mineralisation, the adequate drill hole spacing and the confidence gained from QA/QC checks and data validation. Small areas of mineralisation at the extremities of the resource have been classified as Inferred due to the lack of sample support, lower continuity of grade and lithological controls.



Appendix 2: Panoramic Group Hedge Book as at 31 March 2011

Commodity	Quantity 31 Mar 2011	Average Price/Rate 31 Mar 2011	Quantity 31 Dec 2010	Average Price/Rate 31 Dec 2010
<u>Nickel</u> -				
Nickel Forwards (delivery Apr 2011-Jun 2011)	624t	US\$16,747/t US\$7.60/lb	1,248t	US\$16,770/t US\$7.61/lb
Nickel Forwards (delivery Jul 2011-Jun 2012)	2,700t	US\$25,770/t US\$11.69/lb	1,500t	US\$24,350/t US\$11.04/lb
Nickel Forwards (delivery to Jul 2012-Mar 2013)	675	US\$26,468/t US\$12.00/lb	-	-
Bought Nickel Put Options (delivery Apr 2011-Jun 2011)	600t	US\$18,250/t US\$8.28/lb	1,200t	US\$18,250/t US\$8.28/lb
Bought Nickel Put Options (delivery Jul 2011-Jun 2012)	1,452t	US\$18,000/t US\$8.16/lb	-	-
Sold Nickel Call Options (delivery Apr 2011-Jun 2011)	219t	US\$25,513/t US\$11.57/lb	438t	US\$25,513/t US\$11.57/lb
Sold Nickel Call Options (delivery Jul 2011-Jun 2012)	600t	US\$30,000/t US\$13.61/lb	-	-
<u>Diesel</u> -				
Bought Diesel Call Options (delivery Apr 2011-Sep 2012)	375,000litres/mth	US\$0.60/litre	375,000litres/mth	US\$0.60/litre
Sold Diesel Put Options (delivery Apr 2011-Sep 2011)	375,000litres/mth	US\$0.434/litre	375,000litres/mth	US\$0.434/litre
Sold Diesel Put Options (delivery Oct 2011-Sep 2012)	375,000litres/mth	US\$0.440/litre	375,000litres/mth	US\$0.440/litre
<u>US\$/A\$ FX</u> -				
Bought US\$ Put Options (delivery Apr 2011 to Jun 2011)	US\$24.0 million	US\$1.033	US\$48.0 million	US\$1.017
Bought US\$ Put Options ** (delivery Jul 2011 to Dec 2011)	US\$12.0 million	US\$1.07	-	-

** these currency derivatives were added after 31 March 2011