



*Vision, Commitment, Results*

17 July 2008

ASX: PAN

## LETTER TO SHAREHOLDERS – RECORD NICKEL PRODUCTION

Dear Shareholder,

2007/08 has been another outstanding year for the Company, in all facets of our business.

### 2007/08 IN REVIEW

- Significant focus on improving our safety performance across both sites including a safety audit by independent consultants;
- Record contained nickel production of 14,900t (100% basis, preliminary) which is a 13% increase on 2006/07;
- Solid cashflow with cash and trade receivables of around \$130 million as at 30 June 2008;
- Hedge book over \$40 million “in-the-money” as at 30 June 2008;
- Based on preliminary, unaudited financials we are forecasting a net profit after tax (NPAT) for 2007/08 in the vicinity of \$60 million;
- Discovery of the Northern Ore Zone at Savannah which already has a resource of 5,430t Ni and remains open at depth;
- Payment of the maiden 12c fully franked dividend in October 2007, and an interim dividend of 7c in March 2008;
- Dividend policy adopted by the Board to pay out between 40-50% of NPAT on an ongoing basis;
- Continued ramp up of production at Lanfranchi to close to 300,000t ore mined in 2007/08;
- Approval to develop the Copernicus open pit and commencement of the project in April 2008 targeting first ore in Q3 2008;
- Continued exploration success at both sites, particularly at Lanfranchi, with the discovery of massive sulphides on the northern side of the Tramways Dome and at Savannah with the commencement of the Main Ore Zone extension drilling; and
- Shareholders voted overwhelming to change the company name to Panoramic Resources Limited.

### GROUP SAFETY FOCUS

We have recognised that our safety performance needs improvement and have been working with personnel and management from both our sites and Perth Office to re-focus safety as the No.1 priority in our business. This has involved the use of external consultants to assess our safety culture and better understand areas that need attention. We have recently adopted a new safety mission statement which is:

<b>Vision</b>	Safety is a value not just a priority;
<b>Commitment</b>	Safety improvement through leadership;
<b>Results</b>	Safely home everyday.

We are rolling out the new safety mission statement across our sites now and will continue to work with our people and our contractors to ensure we achieve the stated goal of “safely home everyday”.



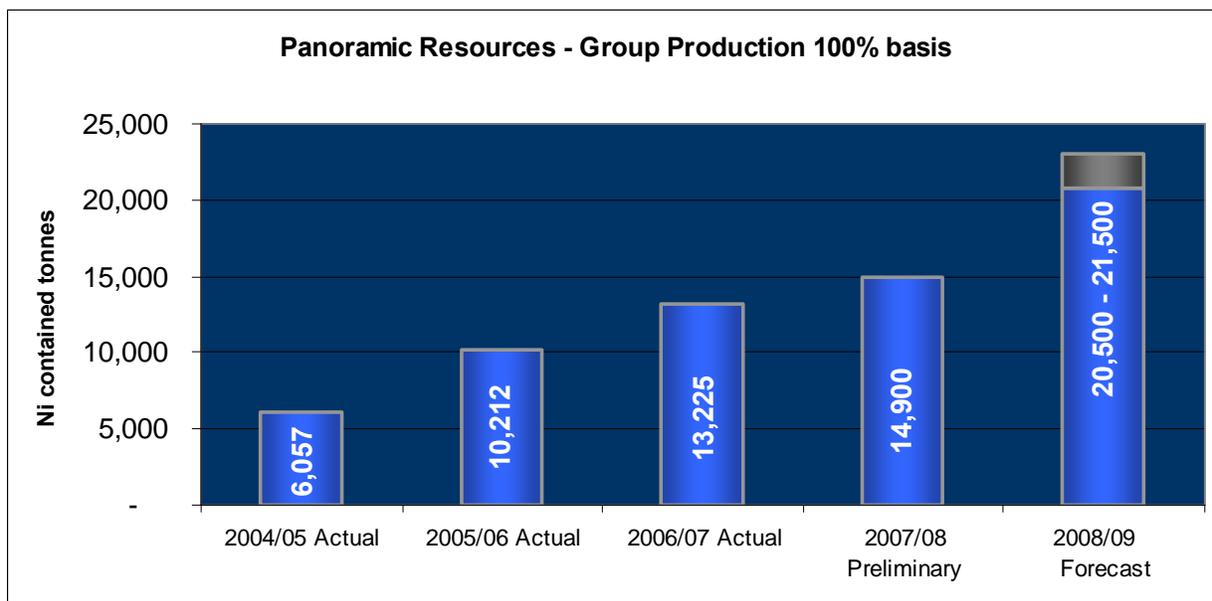
## PRELIMINARY 2007/08 PRODUCTION & PROFIT FORECAST

We continue to ramp up production at Lanfranchi and with the addition of high-grade Winner ore for the first time the group produced a record 14,900t Ni contained or 13,075t on an equity basis (preliminary basis) in 2007/08, a 13% increase on 2006/07. This is an outstanding result and credit to the management, employees and contractors at our mines.

We are expecting to report a full year net profit after tax (NPAT) for 2007/08 in the vicinity of \$60 million (preliminary, unaudited), which is an outstanding result given the average US\$ nickel price for 2007/08 was 25% lower than 2006/07, the A\$ has appreciated significantly against the US\$ and many of our operating costs have increased.

## THE YEAR AHEAD

Our business is in great shape as we head into our eighth year and I am delighted to report our preliminary production forecast for our combined operations for 2008/09 is expected to be in range of 20,500-21,500t Ni contained plus copper and cobalt credits (100% project basis) which represents a 30-45% increase on 2007/08. This forecast is based on 1<sup>st</sup> Copernicus ore treated at the Savannah mill in October 2008 and commissioning of the new Deacon ventilation system in late December 2007. Panoramic's equity share of forecast production is in the range of 17,000-18,000t Ni contained. Our impressive track record of delivering on our production ramp up forecasts is demonstrated by the production growth profile in the table below.



### Notes

1. Savannah and Copernicus production is based on Ni in concentrate (PAN owns 100% of Savannah & 60% Copernicus)
2. Lanfranchi production is based Ni in ore (PAN owns 75% of Lanfranchi)
3. 2008/09 Forecast is based on Copernicus ore into Savannah mill from Oct. 2008 and Deacon vent system commissioning in Dec. 2008

In 2008/09, we will focus our exploration activities on adding to our significant resource and reserve base by:

- Completing the drill out of the Main Ore Zone around and below the 500 fault and the Northern Ore Zone at Savannah;
- Continuing to test the Savannah Intrusion;
- Drilling down plunge Deacon, Helmut South, Schmitz, and Lanfranchi;
- Continuing to drill test the northern dome structure at Lanfranchi for massive sulphide mineralisation; and
- Commencing exploration on our newly acquired Cowan Nickel Project, located south of Lanfranchi.



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## NAME CHANGE

With our recent name change to **PANORAMIC RESOURCES LIMITED** we have developed a new mission statement which is based on ***Vision, Commitment, Results***:

***Vision*** to grow our existing asset base and create a major diversified mining house;  
***Commitment*** to attract and retain key personnel, continuously improve our safety performance, and operate a profitable business;  
***Results*** to achieve strong capital growth, maintain our dividend stream and provide a safe workplace.

2008/09 promises to be another exciting year for the Company and I thank all shareholders for their support and all employees and contractors for their hard work and dedication. We have created a wonderful platform from which to grow this business into a major diversified mining house, and I look forward to achieving that goal together with you.

Yours faithfully,

**PETER HAROLD**  
**Managing Director**

### **About the Company**

Panoramic Resources Limited (ABN:47 095 792 288) is an established Western Australian based nickel sulphide producer with two underground mines, the Savannah Project (100% owned) in the Kimberley, and Lanfranchi Mine (75% owned and operator) 42km south of Kambalda. In 2007/08 our operations produced close to 15,000t Ni contained. The Company is on track to achieve its internal target of group production of 20,000t Ni per annum for at least the next 10 years. Panoramic has a significant exploration portfolio in the Kimberley and at Lanfranchi and is expanding exploration activities in order to grow the resource base and to increase the operations' mine life. Panoramic is continuing to assess opportunities to grow the Company through acquisitions of projects and/or companies that would be complementary to existing business, and reflect the Company's commodity expertise and risk profile.

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