



Vision, Commitment, Results

31 July 2008

ASX:PAN

QUARTERLY REPORT

for the period ending 30 June 2008

HIGHLIGHTS

GROUP

- Name change approved by shareholders
- Safety - five LTI's occurred during the quarter
- Production - 2007/08 nickel production of 14,883t was a 13% increase on last year
- Forecast NPAT - \$60 million (unaudited)
- Cash and receivables - \$126 million
- Hedge book - \$41.5 million "in the money" a \$50 million increase over the previous quarter

SAVANNAH

- Production - 1,818t Ni, 1,006t Cu and 94t Co for June quarter
- Full Year Production - 7,579t Ni, 4,072t Cu and 409t Co
- Full Year Payable Ni Cash Cost - A\$5.55/lb
- Resources - 44% increase to 70,300t Ni contained
- Copernicus JV - Open-cut mining commenced

LANFRANCHI

- Production - 2,184t Ni for June quarter
- Full Year Payable Ni Cash Cost - A\$6.34/lb
- Full Year Production - 7,304t Ni contained, a 40% increase over FY2006/07
- Deacon - development on schedule

EXPLORATION

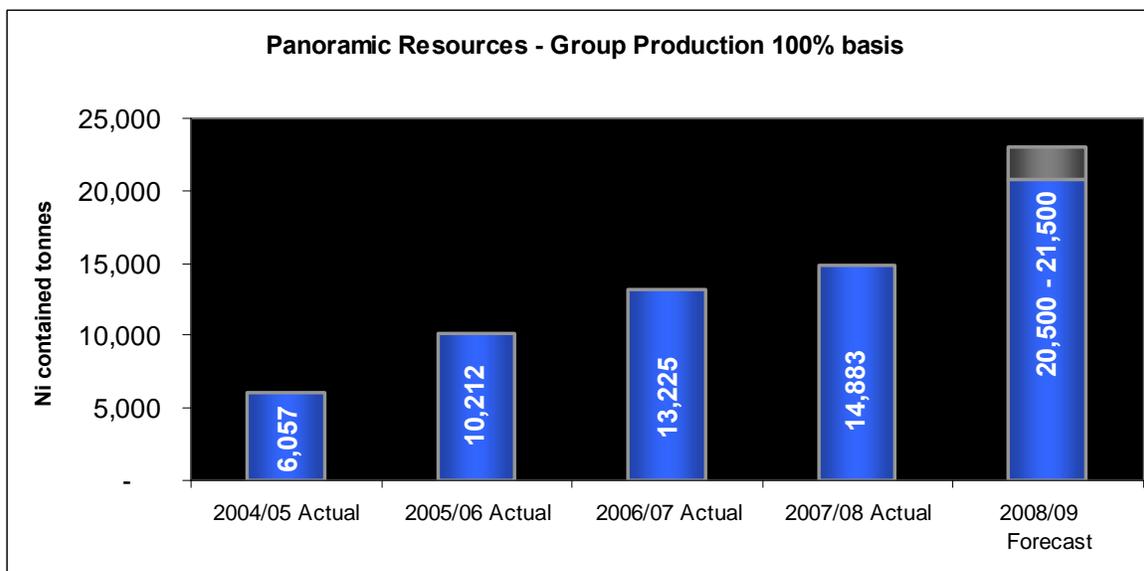
- Savannah – Extension drilling continued with best results of 40.9m at 1.63% Ni and 20.78m at 2.95% Ni
- Deacon – exploration drill drive on schedule to commence drilling down plunge extensions in September quarter
- Northern Dome – 0.25m at 9.27% Ni
- Ham-Edwin – 1.0m at 6.35% Ni
- Winner – strong EM response down-plunge

GROUP SUMMARY

The Group produced a record 14,883t Ni contained (100% basis) which is a 13% increase on 2006/07 (13,225t Ni) despite lower nickel production in the June quarter from both operations, due to slightly lower head grades at Savannah and equipment availability issues at Lanfranchi. The Company again reported a very solid cashflow for the full year with cash and trade receivables at 30 June 2008 of \$126 million (2006/07: \$134.7 million). Based on preliminary, unaudited financials the Company is forecasting a net profit after tax for 2007/08 in the vicinity of \$60 million (before any June quarter Lanfranchi metal sales price adjustments).

Our preliminary production forecast for the 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 first Copernicus ore treated at the Savannah mill in October 2008 and commissioning of the new Deacon ventilation system in late December 2008. Panoramic's equity share of forecast production is in the range of 17,000-18,000t Ni contained.

GROUP PRODUCTION GROWTH PROFILE (100% BASIS)



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

The Panoramic Group nickel unit cash costs on a payable basis (total nickel metal produced less nickel metal deducted by the customer as a smelting and refining charge) are summarised below.

GROUP PRODUCTION & COSTS

	Units	Savannah 3mths ending 30 Jun 2008	Lanfranchi 3mths ending 30 Jun 2008	Group 3mths ending 30 Jun 2008	Group Year to date 2007/08	Group Previous Yr 2006/07
Ore Tonnes Mined	dmt	169,055	88,335	257,390	975,440	952,167
Ore Tonnes Treated	dmt	167,973	90,151	258,124	969,737	962,417
Average Nickel Grade	%	1.24	2.47	1.57	1.57	1.50
Nickel in Concentrate/Ore	tonnes	1,818	2,184	4,002	14,883	13,225
Copper in Concentrate/Ore	tonnes	1,006	188	1,194	4,655	4,147
Cobalt in Concentrate/Ore	tonnes	94	-	94	408	430
Costs Per Pound Payable Nickel						
Mining	A\$ per lb	3.04	4.08	3.57	3.12	2.76
Mining – capital development ^(a)	A\$ per lb	1.72	0.21	0.95	0.90	0.77
Milling	A\$ per lb	2.14	-	1.05	0.99	0.95
Administration	A\$ per lb	1.91	0.36	1.12	1.05	0.69
Haulage	A\$ per lb	0.29	0.24	0.26	0.24	0.22
Port Charges/Shipping	A\$ per lb	0.55	-	0.27	0.20	0.11
Royalties	A\$ per lb	0.71	0.53	0.62	0.69	0.88
Total Direct Costs	A\$ per lb	10.36	5.42	7.84	7.19	6.38
Treatment Charge	A\$ per lb	-	1.10	0.56	0.48	0.41
Net By-product Credits	A\$ per lb	(3.30)	(0.24)	(1.75)	(1.76)	(1.60)
Payable Cash Costs	A\$ per lb	7.06	6.28	6.65	5.91	5.19
Notional Operating Surplus^(b)	A\$ per lb	5.28	6.10	5.69	8.51	16.72
Avg. A\$ cash (buyer) nickel price^(c)	A\$ per lb	12.34	12.34	12.34	14.42	21.91

(a) 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) Excludes commodity & FX hedging & final sales invoice adjustments.

(c) Sources – LME London Metal Exchange & Reserve Bank of Australia A\$/US\$ quoted daily settlement rates.

SAVANNAH PROJECT

Commentary

The Savannah Project June quarter was 1,818t Ni, 1,006t Cu and 94t Co contained. Full year production was a solid 7,579t Ni, 4,072t Cu and 409t Co contained and in-line with forecasts and is a credit to site personnel. Ore production and Ni head grade in the June quarter were both lower than the March 2008 quarter which together with increased input costs resulted in an 9% increase in C1 costs (quarter-on-quarter).

Table 1 – Savannah Project Operating Statistics

Area	Details	Units	3 mths ending 30 Jun 2008	3 mths ending 31 Mar 2008	2007/08 YTD	2006/07
Mining	Ore	dmt	169,055	173,698	689,324	722,553
	Ni grade	%	1.24	1.30	1.26	1.27
	Cu grade	%	0.62	0.64	0.62	0.52
	Co grade	%	0.06	0.07	0.07	0.06
Milling	Ore	dmt	167,973	173,476	688,486	731,484
	Ni grade	%	1.24	1.30	1.26	1.26
	Cu grade	%	0.62	0.64	0.62	0.52
	Co grade	%	0.06	0.07	0.07	0.06
	Ni Recovery	%	87.34	87.9	87.3	87.1
	Cu Recovery	%	97.31	95.7	96.1	96.6
	Co Recovery	%	86.59	90.0	89.2	91.2
Concentrate Production	Concentrate	dmt	23,189	24,967	96,082	98,299
	Ni grade	%	7.84	7.93	7.89	8.15
	Ni metal contained	dmt	1,818	1,980	7,579	8,010
	Cu grade	%	4.34	4.25	4.24	3.75
	Cu metal contained	dmt	1,006	1,061	4,072	3,688
	Co grade	%	0.41	0.43	0.43	0.44
	Co metal contained	dmt	94	108	409	430
Concentrate Shipments	Concentrate	dmt	26,345	21,963	97,657	97,022
	Ni grade	%	7.84	7.94	7.87	8.15
	Ni metal contained	dmt	2,065	1,743	7,681	7,906
	Cu grade	%	4.33	4.26	4.24	3.73
	Cu metal contained	dmt	1,142	935	4,141	3,620
	Co grade	%	0.41	0.43	0.42	0.44
	Co metal contained	dmt	107	95	412	426

Table 2 – Savannah Project Financial Statistics

Area	Units	3mths ending 30 Jun 2008	3mths ending 31 Mar 2008	2007/08 YTD	2006/07
Nickel Produced	lbs	4,006,897	4,365,368	16,707,801	17,660,064
Mining Costs	A\$ per lb	3.24	2.50	2.58	2.02
Milling Costs	A\$ per lb	1.46	1.10	1.23	1.00
Concentrate Haulage	A\$ per lb	0.20	0.20	0.19	0.17
Administration	A\$ per lb	1.30	1.01	1.08	0.53
Less Capitalised Site Costs	A\$ per lb	(1.17)	(0.88)	(0.84)	(0.50)
Total Cost at Mine Gate	A\$ per lb	5.03	3.93	4.24	3.22
Smelting (inc. payability deduct.)	A\$ per lb	6.91	7.51	7.31	8.88
Gross By-product Credits	A\$ per lb	(4.73)	(4.85)	(4.36)	(3.23)
Total C1 Costs	A\$ per lb	7.21	6.59	7.19	8.87
Total C1 Costs	US\$ per lb	6.80	5.97	6.45	7.05
Royalties Cost	A\$ per lb	0.48	0.60	0.56	0.60
Depreciation/ Amortisation Costs ^(a)	A\$ per lb	2.10	1.40	1.59	1.53
Net Finance Costs/Other	A\$ per lb	0.02	0.03	0.03	0.11
Total C3 Costs	A\$ per lb	9.81	8.62	9.37	11.11
Total C3 Costs	US\$ per lb	9.25	7.82	8.40	8.83
Net Nickel Revenue (inc hedging)^(b)	A\$ per lb	12.29	13.38	13.48	14.62

(a) Includes the impact of a \$1.8M one-off cost adjustment (back to Oct 2007) to depreciation on the paste plant.

(b) Net Nickel Revenue is a notional cash figure based on Ni metal produced (including actual hedge book deliveries). Specific hedge accounting transactions from the buy-back of nickel metal in earlier periods are not included in Net Nickel Revenue.

Costs

Site costs have continued to rise during the year with the major increases being wages, charter flights, diesel, steel and other consumables. There has also been an increased use of contractors for specialized tasks including ground support and to accelerate the decline advance rate.

Despite this, C1 costs for 2007/08 were down 19% on 2006/07 with higher site costs being more than offset by higher by-product credits and lower smelting charges.

Copernicus Open Pit Project (Panoramic 60%)

Open pit mining commenced at the Copernicus Nickel Project, a 60:40 joint venture between Panoramic and Thundelarra Exploration Limited with Panoramic as the Manager and Operator.

Brierty, the mining contractor, has now established the necessary infrastructure at the mine site and has begun mining operations with the commencement of the removal of waste material prior to the mining of ore in September 2008. Riverlea, the haul road contractor, is well advanced on the construction of the 23 km haul road linking the Great Northern Highway to the mine. The Project remains on schedule to begin delivering ore to the Savannah concentrator for toll processing in October 2008.

Figure 1: Commencement of open pit mining at Copernicus



LANFRANCHI JOINT VENTURE (PANORAMIC 75%)

Operating Statistics (100%)

June quarter production from Lanfranchi was 2,184t Ni contained in ore (88,335t ore at 2.47% Ni). While ore tonnes mined for the quarter were 7% above the previous quarter the head-grade was down 15% (due to more Helmut South and less Winner ore) resulting in 9% less Ni contained than previous quarter. Ore tonnes were below forecast for the quarter mainly due to mobile equipment availability issues in May and June which are being rectified, however the June quarter ore production is a record for the project since it was re-commissioned.

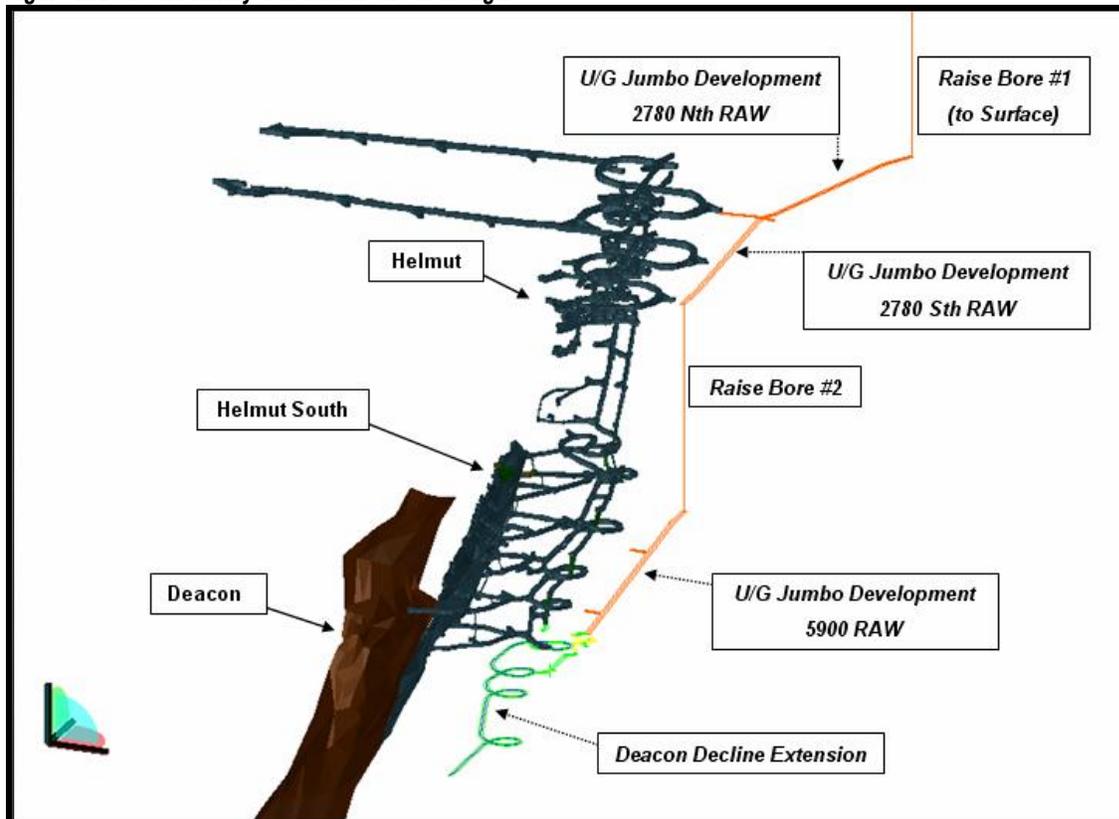
Table 3 – Lanfranchi Project Operating Statistics

Area	Details	Units	3mths ending 30 Jun 2008	3mths ending 31 Mar 2008	2007/08 YTD	2006/07
Mining	Ore mined	dmt	88,335	82,356	286,116	229,614
	Ni grade	%	2.47	2.92	2.55	2.27
	Ni metal contained	dmt	2,184	2,403	7,304	5,215
	Cu grade	%	0.21	0.19	0.20	0.20
Ore Delivered	Ore delivered	dmt	90,151	78,247	281,251	230,933
	Ni grade	%	2.49	2.92	2.55	2.25
	Ni metal contained	dmt	2,241	2,281	7,178	5,189
	Cu grade	%	0.21	0.25	0.22	0.20

Contained Ni production for the full year was 7,304t which is 40% increase on 2006/07 which is an outstanding result especially given the equipment availability issues that affected May and June production and a credit the all site personnel.

The Deacon Ventilation Project continues to progress well and remains on schedule with raise boring of the surface leg commencing during the quarter. Once the ventilation project is commissioned, Deacon production can ramp up which should result in a significant increase in nickel production from the Lanfranchi Project supporting the 2008/09 forecast of 11,850-12,350t Ni contained in ore.

Figure 2: Deacon Primary Ventilation Circuit Design



Financial Statistics (100%)

Table 4 – Lanfranchi Project Financial Statistics

Area	Units	3mths ending 30 Jun 2008	3mths ending 31 Mar 2008	2007/08 YTD	2006/07
Nickel Produced	lbs	4,814,894	5,297,707	16,098,760	11,497,093
Mining Costs	A\$ per lb	2.37	1.80	2.22	1.80
Ore Haulage	A\$ per lb	0.14	0.11	0.12	0.09
Administration	A\$ per lb	0.21	0.24	0.24	0.80
Total Cost at Mine Gate	A\$ per lb	2.72	2.15	2.58	2.69
Smelting (inc. payability deduct.)	A\$ per lb	6.48	6.56	6.90	9.98
Gross By-product Credits	A\$ per lb	(0.35)	(0.26)	(0.31)	(0.35)
Total C1 Costs	A\$ per lb	8.85	8.45	9.17	12.33
Total C1 Costs	US\$ per lb	8.35	7.66	8.22	9.80
Royalty Cost	A\$ per lb	0.31	0.34	0.34	0.48
Depreciation/Amortisation	A\$ per lb	1.40	1.21	1.18	1.62
Net Finance Costs/Other	A\$ per lb	0.02	0.02	0.02	0.06
Total C3 Costs	A\$ per lb	10.58	10.02	10.71	14.49
Total C3 Costs	US\$ per lb	9.98	9.08	9.60	11.52
Net Nickel Revenue (a)	A\$ per lb	13.15	14.41	14.54	21.29

Note (a) Net Nickel Revenue is a notional figure based on Ni metal produced for 100% of the Lanfranchi Project and does not include the hedging activity of Cherish Metals (Panoramic's 100% subsidiary that has the 75% interest in the Lanfranchi Project) and revenue adjustments on nickel ore delivered to the Kambalda concentrator when the final nickel price is known three months following the month of delivery.

Costs

Site C1 unit costs were adversely affected in the June quarter by lower Ni production and lower development rates due to the mobile equipment availability issues (whereby a reduced percentage of costs were capitalised out of total mining costs). Overall site costs have continued to rise during the year with the major increases being wages, flights, diesel, steel and other consumables. Notwithstanding this, C1 and C3 costs for FY2007/08 were 26% lower than FY2006/07 reflecting the impact of the steady ramp up in production, reduction in the smelter charge due to lower Ni prices and the increase in nickel head grade.

EXPLORATION

Kimberley Regional

Savannah Tenements (100% owned)

Savannah Project – Resource Update

An updated Measured, Indicated and Inferred Mineral Resource of 4.74Mt at 1.48% Ni, 0.72% Cu and 0.08% Co for **70,300 tonnes of contained nickel** as at 30 June 2008 has been reported for the Savannah Project (Table 5).

Table 5: Savannah Mineral Resource (using 0.5% Ni cut-off) at 30 June 2008

Category	Tonnes	Ni %	Cu %	Co %	Ni (t)	Cu (t)	Co (t)
Measured	819,000	1.63	0.78	0.09	13,380	6,380	730
Indicated	3,234,000	1.50	0.76	0.08	48,450	24,520	2,490
Inferred	687,000	1.23	0.46	0.07	8,470	3,150	450
Total	4,740,000	1.48	0.72	0.08	70,300	34,050	3,670

This new resource incorporates all mineralisation above and below the 500 fault plus the mineralisation previously referred to as the Northern Ore Zone (NOZ). The resource is a 44% increase in nickel contained compared to the 30 June 2007 resource of 48,940t Ni contained.

Historically, resources at the Savannah Project have only been reported for mineralisation above the 500 fault. For the first time, the reported resource now includes mineralisation above and below the 500 fault as follows (Figure 3):

- Savannah Upper Zone Resource (above the 500 fault) - 49,500t nickel contained
- Savannah Lower Zone Resource (below the 500 fault) - 20,700t nickel contained

The Savannah Upper Zone resource remains largely unchanged despite the production of 7,579t nickel contained in concentrate (after recovery) mined during the 2007/08 financial year.

The Company is confident that as extensional drilling continues the Savannah Lower Zone resource will continue to grow resulting in a significant extension to the mine life, subject to favorable economics.

The new resource has resulted in a significant increase in contained copper and cobalt which reports to the concentrate and contributes significant by-product credits.

Savannah Project – Extensional drill programme below 500 Fault

Extensional drilling below the 500 Fault is ongoing with five drill holes, two (KUD670 & 671) on section 5940mE and three (KUD688, 688W2 and 704) on section 5890mE were completed from the 2065 hanging wall drill drive. A detail summary of the assay data generated by the program to date is presented in Table 6.

A second underground diamond drill rig was mobilised to site late in the quarter to assist with the extensional drill program below the 500 Fault. This drill rig was positioned in a drill cuddy located adjacent to the decline. Drill holes collared from this cuddy will be drilled towards the west to target the north-western contact of the Savannah intrusion (Northern Ore Zone surface) below the 500 Fault. The first hole drilled (KUD716) intersected a broad zone (60m) of Savannah “style” massive sulphide mineralization. Assay results are pending.

The results to date of the extensional drill program below the 500 Fault are very encouraging with intersections indicative of the width, grade and orientation of orebody currently being mined in the corresponding position above the 500 Fault.

Figure 3: Three dimensional representation of the Savannah Mineral Resource

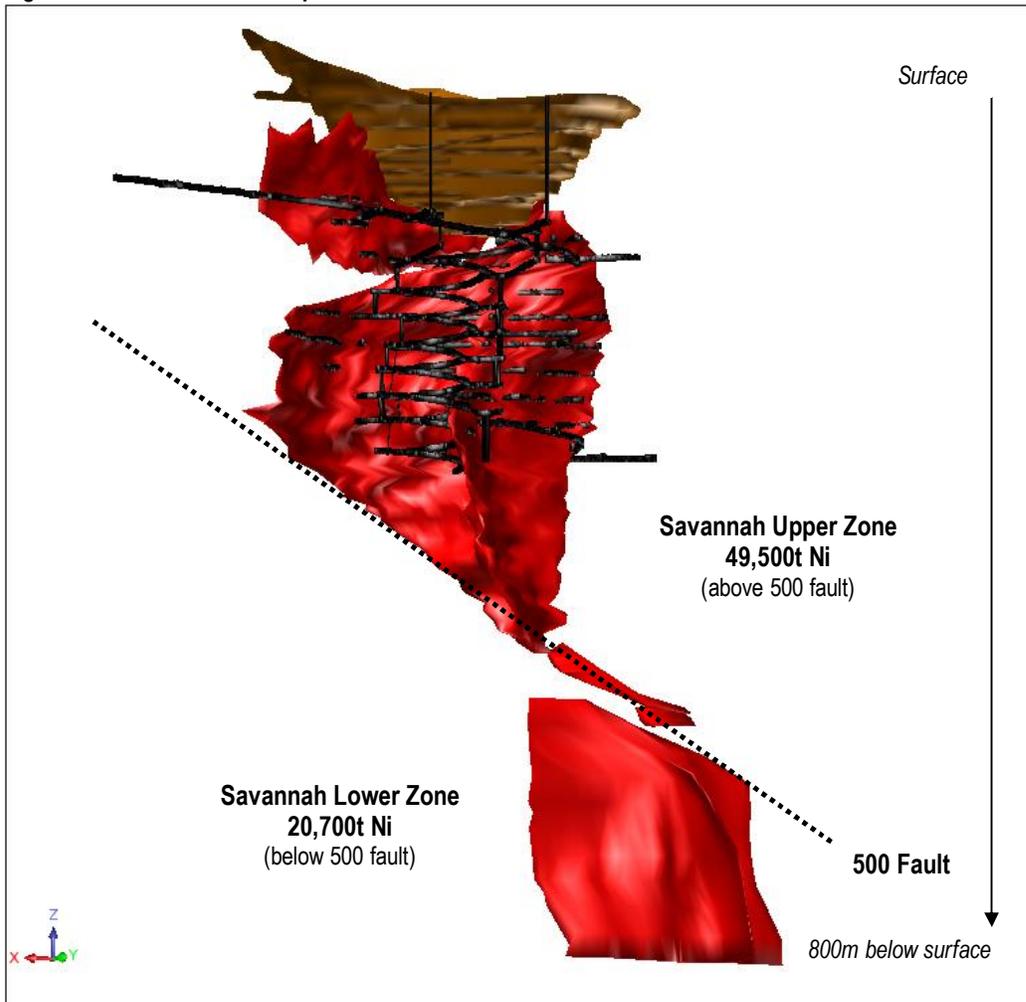


Table 6 –Drill intercepts below the 500 Fault greater than 0.50% Ni

Hole ID	Interval (m)	Ni %	Cu %	Co %
KUD627	10.35	1.71	1.81	0.09
KUD627	4.50	0.50	1.03	0.03
KUD628	10.80	1.18	0.33	0.05
KUD628	1.67	1.65	0.27	0.08
KUD628	10.40	1.09	0.60	0.05
KUD628	10.78	1.01	2.49	0.05
KUD628	6.28	1.15	1.38	0.06
KUD628	5.12	0.70	2.15	0.04
KUD658	NSR			
KUD659	3.30	1.74	0.28	0.06
KUD659	4.78	1.22	0.85	0.05
KUD659	40.90	1.63	1.49	0.07
KUD659	7.50	1.98	0.74	0.07
KUD659	12.07	2.08	0.61	0.10
KUD670	3.60	2.16	1.46	0.10
KUD670	16.67	0.77	2.40	0.05
KUD671	20.78	2.95	1.07	0.14
KUD671	1.77	0.80	0.31	0.05
KUD688	NSR			
KUD688W2	67.30	0.82	0.53	0.05
Including	13.80	1.51	0.60	0.08
KUD704	40.0	assays	awaited	
KUD710	59.80	assays	awaited	

Savannah Project - Northern Ore Zone (NOZ)

No further work has been undertaken on the NOZ since the Company reported the results of the initial resource estimate in the March quarter. Drilling is scheduled to resume on the NOZ late in 2008.

Joint Ventures

Copernicus Joint Venture (Panoramic 60%)

Copernicus Exploration

Down-hole electromagnetic (DHEM) surveys were completed on a number of deeper holes and a decision will be made on further exploration activities once results of DHEM surveys are available and have been interpreted.

Lanfranchi Joint Venture (Panoramic 75%)

Lanfranchi Project – Resource Update

An updated Measured, Indicated and Inferred Mineral Resource of 5.33Mt at 2.35% Ni for **125,360 tonnes of contained nickel** as at 30 June 2008 has been reported for the Lanfranchi Project (Table 7).

Table 7: Lanfranchi Project Mineral Resource at 30 June 2008

Project	Category	30 June 2008			30 June 2007		
		Tonnes (,000)	Ni (%)	Ni (t)	Tonnes (,000)	Ni (%)	Ni (t)
Deacon Resource	Indicated	1,783	2.88	51,365	1,607	3.09	49,692
	Inferred	460	2.64	12,186	303	2.77	8,389
	Sub-Total	2,243	2.83	63,551	1,910	3.04	58,081
Helmut South Resource	Measured	216	2.85	6,172	457	2.44	11,138
	Indicated	38	2.58	973	-	-	-
	Sub-Total	254	2.80	7,144	457	2.44	11,138
Winner Resource	Indicated	82	5.67	4,673	112	6.16	6,879
	Sub-Total	82	5.67	4,673	112	6.16	6,879
Lanfranchi Resource	Measured	11	4.11	471	-	-	-
	Indicated	67	5.79	3,887	99	3.04	3,002
	Inferred	11	5.24	552	35	4.25	1,476
	Sub-Total	89	5.51	4,909	134	3.35	4,478
Schmitz Resource	Indicated	75	4.55	3,412	75	4.55	3,412
	Inferred	11	3.58	376	11	3.58	376
	Sub-Total	86	4.43	3,788	86	4.43	3,788
Martin Resource	Indicated	44	3.88	1,722	44	3.88	1,722
	Inferred	6	3.50	208	6	3.50	208
	Sub-Total	50	3.84	1,930	50	3.84	1,930
Cruikshank Gigantus Resource	Indicated	1,139	1.41	16,025	1,139	1.41	16,025
	Inferred	931	1.33	12,397	931	1.33	12,397
	Sub-Total	2,070	1.37	28,422	2,070	1.37	28,422
Remnant Resources	Indicated	253	2.69	6,816	253	2.69	6,816
	Inferred	203	2.03	4,127	203	2.03	4,127
	Sub-Total	456	2.40	10,943	456	2.40	10,943
Total Resources	Measured	227	2.93	6,643	457	2.44	11,138
	Indicated	3,481	2.55	88,873	3,328	2.63	87,548
	Inferred	1,622	1.84	29,846	1,489	1.81	26,973
	Total	5,330	2.35	125,362	5,273	2.38	125,659

Notes:

1. Resources estimated at 1.0% Ni cut-off and 1.6% cut-off for Deacon and Schmitz at 30 June 2007
2. Resources estimated at 1.0% Ni cut-off at 30 June 2008 (Deacon resource cut-off was reduced due to the bulk mining method utilized supporting the 0.8% Ni economic cut-off for reserves).
3. All mineralised zone interpretations were reviewed and modified where necessary by BM Geological Services Pty Ltd (BMGS) in consultation with the Panoramic staff prior to resource estimation.
4. BMGS believes that the current geological models are fundamentally sound and provides an appropriate basis for mine planning and project evaluation.
5. Remnant Resources reflect ore remaining post historical mining by WMC

Comments on the Resource Update

- The Deacon resource has increased by 3,000t Ni contained compared to the April 2007 pre-mining resource after further detailed grade control drilling.
- The new Deacon resource is 2.24Mt at 2.83% Ni for 63,550t Ni contained. This updated resource has seen the cut-off grade reduced from 1.6% to 1.0% Ni reflecting the planned bulk mining method which is supported by a 0.8% Ni economic cut-off for reserves.
- The Deacon resource remains open down-plunge and extensional drilling should commence in the September quarter 2008 with resource update expected in the December quarter 2008.
- The Winner mineralisation has potential to extend down-plunge given the strong EM conductor interpreted below the resource.
- The Lanfranchi resource continues to extend down plunge and has increased by 10%.

Deacon

The Deacon 5920 hanging wall exploration drill drive was commenced during the quarter and is on schedule for drilling to commence in September and is designed to:

- convert the existing 12,000 Ni tonnes of inferred resource at the base of Deacon to an Indicated resource category and hence allow conversion to reserves;
- drill the Deacon channel down plunge a further 150m to 200m; and
- drill test Helmut South down-plunge over a similar distance.

Winner

As part of the latest resource definition drill program, drill hole WD084 was completed to enable EM testing drilled down-plunge of the known mineralisation. The down-hole EM survey produced a strong EM response indicating that the Winner mineralisation continues for an additional 25 to 30m down-plunge. Drilling to test the extension will occur when the Winner decline has progressed sufficiently to enable the development of a suitably positioned drill cuddy.

Northern Tramways

During the quarter, all of the RC pre-collars for 22 drill holes planned for the Northern Tramways area were completed (TD8044-TD8065) and all but five of these were diamond drill-tailed for a total of 5376m of RC and 4349m of diamond drilling. To date, downhole EM surveys has been completed in 13 of the drill holes with surveys in TD8057-TD8060 yet to be undertaken.

One significant assay was received for the Northern Tramways area during the quarter, **0.25m grading 9.27% nickel**, for the previously reported massive sulphide intercept in TD8043 (from 285.72m). Further multi-element geochemistry continues to give good support for the overturning of the ultramafic/basalt contact on the northern margin of the Tramways Dome. The MgO and nickel trends of the ultramafics are consistent with younging down hole and is supporting two channel positions. Drilling in these channels, which lie on the Winner-Schmitz-Skinner trend, returned Ni/Cr ratios and MgO tenors respectively of 2.5 and 30%, consistent with channel-facies ultramafics.

Anomalies reported from the down-hole EM surveys typically have related to either previously reported mineralisation or sediment layers. However, TD8064 reported an off-hole anomaly from 420m within ultramafic that is worthy of further work.

Ham-Edwin Extensions

A program of surface drilling has commenced in the Ham-Edwin area focused on the down plunge extents of the Ham to Edwin mineralisation. To date, 25 pre-collars (TD8066-TD8090) have been completed for a total of 8,160m. Towards the end of the quarter, diamond drilling commenced with six diamond tails (TD8067-TD8072) for 747m completed.

The results of the drilling have been encouraging, with mineralisation intersected in two holes as follows:

- **1.0m at 6.35% nickel** in TD8069 (458m); and
- **0.25m at 1.84% nickel** in TD8072 (563.35m).

Although the drill hole spacing on the traverse is broad (100m between collars), the results demonstrate significant variation in the basal contact topography and hence potential for nickel-bearing channels. The contact in TD8070 (512m) is ~60m deeper than in the adjacent drill holes and similarly, TD8072 contacted the basement 45m below that in TD8071, located 100m to the west.

CORPORATE

Safety

The LTIFR has increased from 12.9 at the end of March 2008 to 14.1 at the end of June, which is a very disappointing trend. Five LTI's were recorded during the June quarter with all personnel having returned to either light or full-time duties. Safety related activities undertaken during the quarter were:

- A Safety Culture Survey was conducted by external consultants and showed positive attitudes towards safety culture across both sites. Results of the survey were discussed at a Company safety conference held in June involving personnel from both sites and senior management. This was the fourth conference held. From the survey, a strategic plan is being developed to better engage the workforce and improve safety performance across both sites.
- The Savannah Mine Rescue team competed in the Northern Territory mine rescue competition held in Darwin in late June. The team performed very well coming second in overall competition and obtaining three firsts in individual competition sections.
- The upgrade of the first aid facilities at the Lanfranchi site were completed in the quarter.

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. Following the June Safety Conference, we adopted the new safety mission statement:

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

The Company is 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".

Company & Project Name Change

At a General Meeting of Shareholders held on 10 June 2008, a resolution to change the Company name from Sally Malay Mining Limited to Panoramic Resources Limited was approved. As from Monday, 16 June 2008, the Company has been trading under the new ASX company code of PAN. At the same time as the change of Company name, the name of the Company's nickel mine in the East Kimberley, WA was changed from the Sally Malay Project to the Savannah Project.

Liquid Assets & Debt

Cash on hand at the end of the quarter was \$111 million plus receivables of \$15 million, giving a total of \$126 million in short term liquid assets. This represented a 7% increase on the previous quarter. The Panoramic Group debt totals only \$7 million for finance leases on mobile equipment and sundry items.

Hedging

The Company continued to deliver into its nickel and currency hedge book during the quarter.

The Panoramic Group metal and currency hedge book as at 30 June 2008 is summarised in Table 8.

Table 8: Group Hedge Book as at 30 June 2008

Commodity	Quantity 30 Jun 2008	Average Price/Rate 30 Jun 2008	Quantity 31 Mar 2008	Average Price/Rate 31 Mar 2008
Nickel Fwds (delivery Jul 2008-Jun 2010)	5,250t	US\$25,344/t US\$11.50/lb	5,796t	US\$24,955/t US\$11.32/lb
Bought Nickel Put Options (delivery Jul 2008 to Dec 2008)	600t	US\$25,000/t US\$11.34/lb	1,450t	US\$25,000/t US\$11.34/lb
Sold Nickel Call Options	-	-	247t	US\$38,524/t US\$17.47/lb
Bought US\$ Put Options (delivery Jul 2008 to Dec 2008)	US\$141.0 million	US\$0.9000	US\$231.0 million	US\$0.9000
US\$ Currency - matched with Ni	US\$51.5 million	US\$0.7615	US\$63.8 million	US\$0.7610

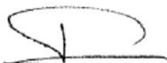
As at 30 June 2008, the Panoramic Group hedge book was \$41.5 million “in the money” compared to being “out of the money” by \$8.5 million at the end of the last quarter, as summarised in Table 9.

Table 9: Group Hedge Book – A\$ Mark-to-Market Valuation as at 30 June 2008

Commodity	Mark-to-Market 30 Jun 2008	Mark-to-Market 31 Mar 2008
Nickel Fwds	\$18.5 million	(\$27.0 million)
Bought Nickel Put Options	\$2.4 million	\$0.8 million
Bought US\$ Currency Put Options	\$8.4 million	\$6.5 million
US\$ Currency Fwds	\$12.2 million	\$11.2 million
Total Mark-to-Market	\$41.5 million	(\$8.5 million)

Excluding the bought nickel put options (which will continue to be exercised by Panoramic if the US\$ nickel price remains below US\$25,000/t between July to December 2008) and based on current forecast production for FY2008/09 and FY2009/10, the Panoramic Group is approximately 23% hedged over the next two financial years.

Yours faithfully,
SALLY MALAY MINING LIMITED



PETER HAROLD
Managing Director

Panoramic is an established Western Australian based nickel sulphide producer with two underground mines, Savannah (100%) in the Kimberley and Lanfranchi (75% and operator) 42km south of Kambalda. In 2007/08 our operations produced close to 15,000t Ni and will continue to grow to over 20,000t Ni in 2008/09. We have a significant exploration portfolio in the Kimberley and at Lanfranchi and are expanding our exploration activities in order to grow our resource base and to increase the mine life of our operations, targeting **20,000t Ni per year for the next 10 years**.

The information in this Public Report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr John Hicks who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Hicks is full time employee of Panoramic Resources Limited 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 Hicks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report relating specifically to the Savannah Mineral Resource has been either completed by or reviewed by Mark Zammit of Cube Consulting Pty Ltd. Mr Zammit 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 Zammit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report relating specifically to the Lanfranchi, Deacon, Winner and Helmut South Mineral Resources has been either completed by or reviewed by 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 report of the matters based on his information in the form and context in which it appears.