



Vision, Commitment, Results

28 August 2008

ASX: PAN

NEWS RELEASE

2008 PROFIT OF \$53.3 MILLION AND FINAL FULLY FRANKED DIVIDEND OF 5 CENTS

Financial Highlights

- Net profit after tax for FY08 of \$53.3 million
- Final fully franked dividend FY08 of 5 cents
- Total dividend payout for FY08 of 12 cents
- Strong cash position & receivables of \$128.6 million
- Record nickel production of 14,883 tonnes (100% basis)
- Group C3 unit costs down 19% on last year
- Hedge book \$41.5 million "in the money"
- Net assets of \$231.7 million, a 90% y-o-y increase

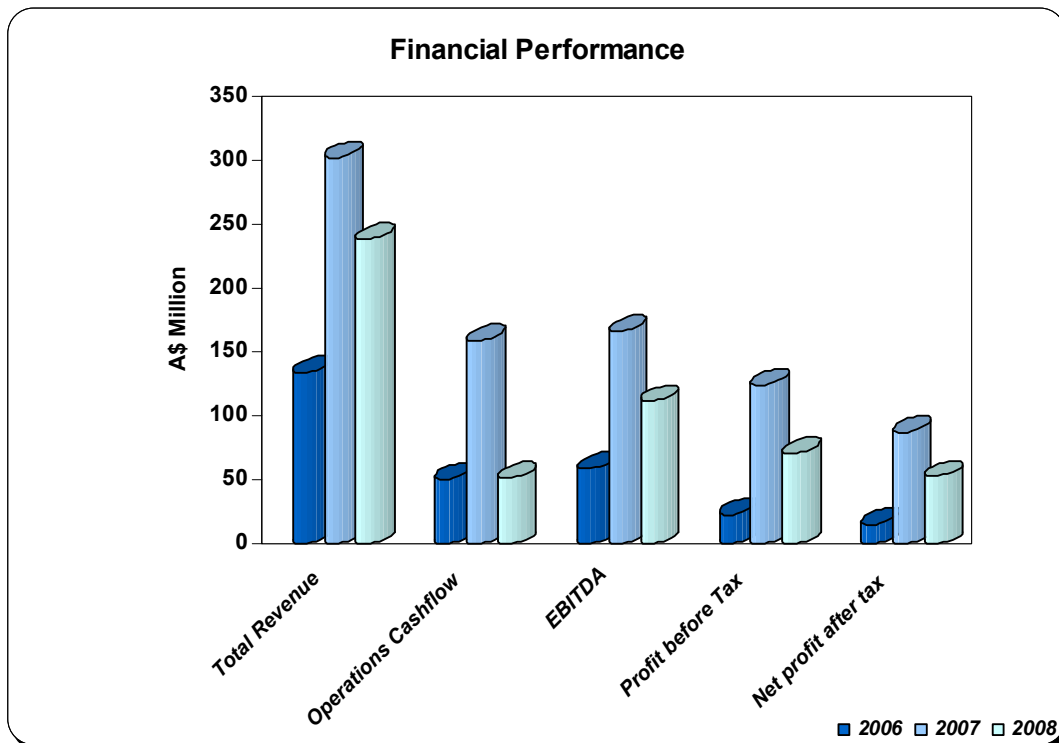
Summary

Panoramic Resources Limited (**ASX Code: PAN**) is pleased to announce a strong net profit after tax (NPAT) for the 2008 financial year of \$53.3 million. The 2008 financial result translated to robust earnings per share of 28.4 cents. Details of the 2008 financial result are as follows:

Key Financial Indicators: Comparison of 2006, 2007 & 2008

	2006	2007	2008
Total Revenue	\$134.1M	\$302.2M	\$238.4M
Depreciation & Amortisation	\$36.5M	\$41.9M	\$40.4M
EBITDA	\$59.6M	\$166.5M	\$111.8M
Profit before tax	\$23.1M	\$124.6M	\$71.4M
NPAT	\$15.9M	\$88.1M	\$53.3M
Net cash flow from operations	\$14.7M	\$165.7M	\$51.9M
Total assets	\$197.0M	\$283.7M	\$332.1M
Total liabilities	\$148.0M	\$161.8M	\$100.4M
Shareholders equity	\$48.9M	\$121.8M	\$231.7M
Return on equity	33%	72%	23%
Earnings per share	9.6c	47.6c	28.4c
Dividend declared per share		12.0c	12.0c
Dividend pay-out ratio		25%	43%

Group total C3 unit costs for the year were A\$9.93/lb which is 19% lower than the previous year which reflects the production growth, increased by-product credits and lower smelting charges.



The 2008 financial result was based on an 13% increase in Group production to a record 14,883 tonnes of contained nickel (13,057 tonnes on an equity basis). In contrast, the average nickel price realised by the Group after hedging fell by 17% to A\$13.26/lb of payable nickel compared to A\$15.97/lb for the previous year. As a consequence, the average operating cash surplus was lower at A\$7.35/lb (2007: A\$10.78/lb).

The Group's net assets increased 90%, year on year, to \$231.7 million (2007: \$121.8 million). This reflected the solid contribution of the 2008 financial year to retained earnings and the significant change in the Group's hedge book on a mark to market basis to \$41.5M in the money at 30 June 2008, compared to being \$66.1M out of the money last year.

The Company is debt free and in a strong financial position with cash and receivables of \$128.6 million (2007: \$134.7 million). This will enable the Company to maintain a significant exploration program on its mining properties, including greenfields exploration work on the newly acquired Cowan Nickel Exploration Project located south of the Lanfranchi Project.

The Company had previously indicated to the market a preliminary, unaudited annual net profit after tax forecast for the 2008 financial year in the vicinity of \$60 million (subject to Lanfranchi metal sales price adjustments). The significant adjustments to that preliminary forecast are as follows:

- a \$3.0 million after tax net sales revenue reduction on June quarter nickel in ore deliveries from Lanfranchi (75%) after re-pricing based on the US\$ spot nickel price prevailing at the end of July 2008 (which was 11% lower than at the end of June 2008). Under pricing arrangements with Nickel West, the May and June 2008 deliveries will not be finalised until September and October 2008 respectively (the quotational pricing periods), and further pricing adjustments will then be booked in the 2009 financial year. As a comparison, in the 2008 financial year, a \$2.9M after tax negative net sales revenue pricing adjustment was booked after final invoice pricing was determined on the May and June 2007 Lanfranchi (75%) deliveries; and
- a \$2.5 million after tax accounting re-classification on the time value (using the Black Scholes option pricing model) of outstanding bought US\$ nickel and A\$:US\$ FX currency puts (in which the corresponding intrinsic fair-value value of the puts is significantly "in the money").



Final Dividend Declaration

In light of the strong profit result and the Company's robust cash position, the Company has declared a fully franked final dividend of 5 cents per share, bringing the total dividend payout for the 2008 financial year to 12 cents per share (fully franked). After paying a maiden final fully franked dividend of 12 cents per share for the 2007 financial year, the Company is delighted to reward shareholders with an increased payout ratio of 43% from 2008 after tax earnings (2007: 25% payout ratio).

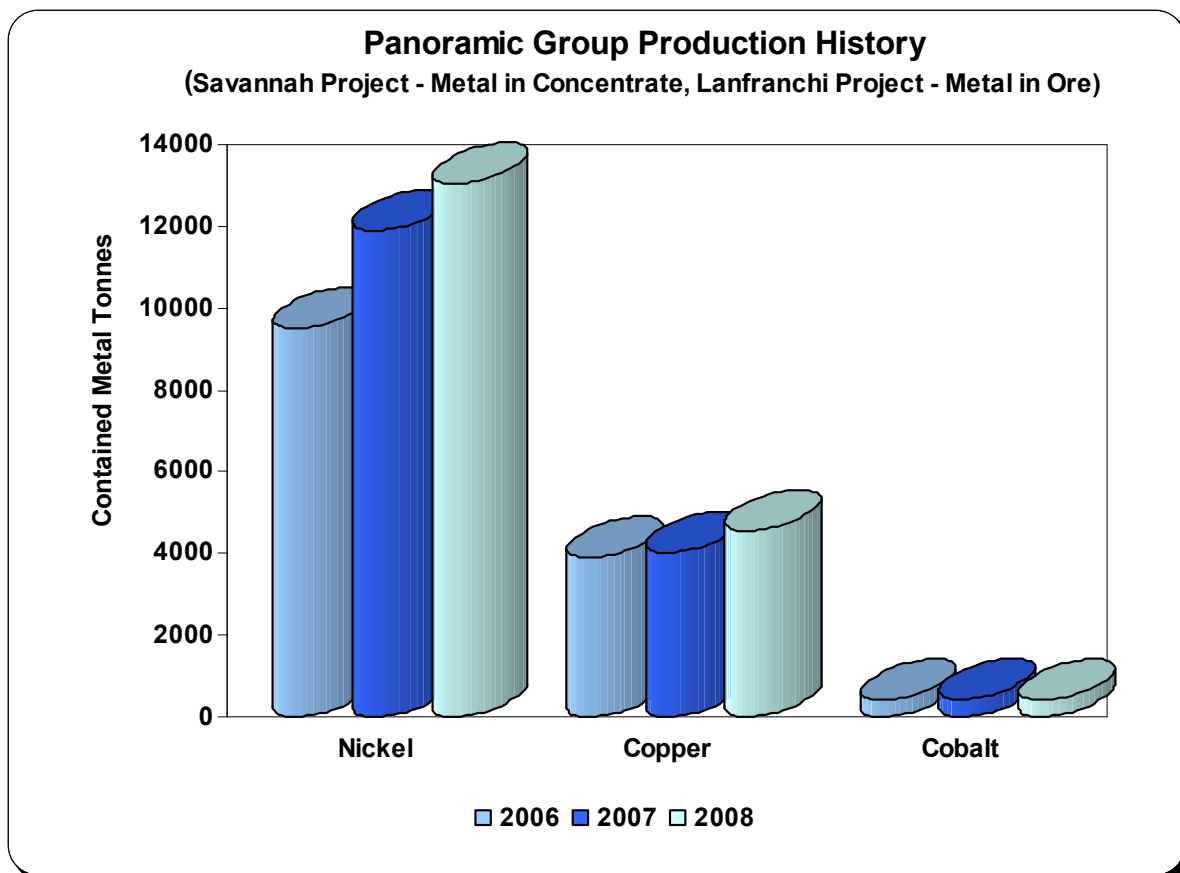
Details of the final dividend are as follows:

- Ex-Dividend Date – Thursday, 4 September 2008;
- Record Date – 5.00pm (WST), Wednesday, 10 September 2008;
- Payment Date – Friday, 19 September 2008.

2008 PRODUCTION RESULTS

Production Highlights

- Record production of 13,057t Ni, 4,544t Cu & 409t Co (equity basis)
- Savannah Project production remains steady with an increase expected with the delivery of Copernicus ore in 2008/09
- Lanfranchi Project production grew by 38% in 2007/08 and is forecast to continue to grow in 2008/09





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SAVANNAH PROJECT

2008 Financial Year Highlights

- 688,486t ore milled at 1.26% Ni for a total of 7,579t Ni contained in concentrate plus 4,072t Cu and 409t Co
- Ni recovery averaged 87%, well above the original feasibility study recovery of 78%
- Resources increased by 44% to 70,300t Ni, resulting in a significant extension to mine life (see ASX release 29 July 2008)
- The new paste plant was commissioned in December quarter 2007
- Development of the Copernicus Project (60% Panoramic) commenced

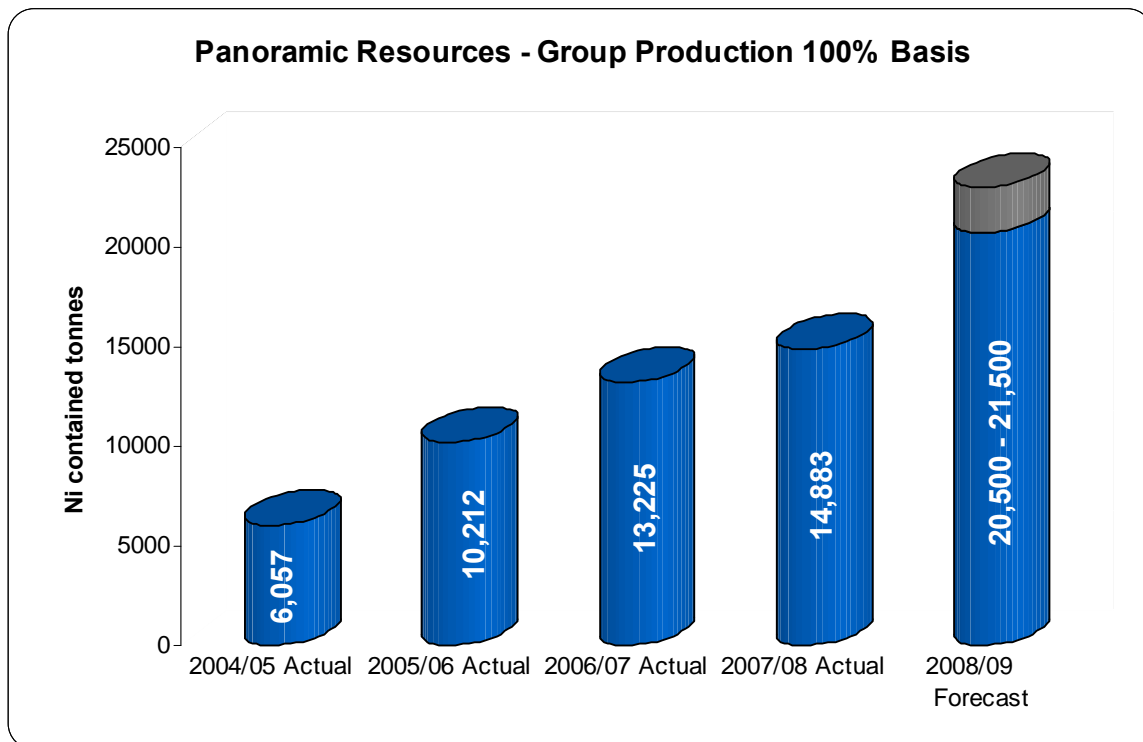
LANFRANCHI PROJECT (PANORAMIC 75%)

2008 Financial Year Highlights

- 286,116t of ore was mined containing 7,304t Ni a 40% increase on 2006/07
- Winner production commenced in the December quarter 2007
- Deacon development commenced with full production expected in March quarter 2009
- Deacon resource increased to 2.2Mt at 2.83 % Ni for 63,500t Ni (see ASX release 1 August 2008)

PANORAMIC GROUP NICKEL PRODUCTION

Our preliminary production forecast for the combined operations for 2008/09 is in the range of 20,500-21,500t Ni contained plus copper and cobalt credits (100% project basis), which would represent 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.



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



EXPLORATION

Kimberley Highlights

- Resource growth in both Upper Zone (above 500 fault) and the Lower Zone (below 500 fault)
- New Upper Zone drilling returned best ever Savannah drill results as follows:
 - **105.63m at 2.03%Ni, 0.82%Cu, 0.10%Co**
 - **80.33m at 1.67%Ni, 0.85%Cu, 0.09%Co**
 - **58.92m at 2.58%Ni, 1.03%Cu, 0.13%Co**
 - **55.12m at 2.26%Ni, 1.11%Cu, 0.11%Co**
- Twelve holes drilled in the Lower Zone defined an initial resource of 20,700t nickel contained
- Updated Savannah resource expected by December quarter 2008
- First Lower Zone hole in the equivalent new Upper Zone location hit **71.53m at 1.46%Ni, 0.42%Cu, 0.07%Co**
- Drilling is continuing to test the depth extensions of the Lower Zone to 900m below surface

Lanfranchi Highlights

- Deacon down plunge drilling has re-commenced and a resource upgrade is expected in the December quarter 2008
- Winner resource continues to grow down plunge which should extend production past the original project life
- Lanfranchi channel resource extended and remains open down plunge
- Northern Dome exploration returns numerous narrow, high-grade nickel intercepts including:
 - **0.25m at 9.27% Ni, 1.22m at 6.98% Ni and 0.88m at 7.76% Ni**
- Ham-Edwin extensional drilling shows potential for nickel-bearing channels, with a best result of **1.0m at 6.35% Ni**

OUTLOOK

Our primary focus going forward will be safety, cost control and resource/reserve growth.

Safety

We have recognised that our safety performance needs improvement and have been working to re-focus safety and the well being of all our employees and contractors as the **No.1 Value** in our business. Our new safety mission statement is:

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

Our target is to ensure we achieve the stated goal of "safely home everyday".

Mine Life Extensions

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

- Completing the drill out of the Savannah Upper Zone and Lower Zone and converting resources to reserves;
- Continuing exploration of the contact of the Savannah Intrusion;
- Drilling down plunge Deacon, Helmut South, Schmitz, and Lanfranchi;
- Continuing to explore the northern dome structure at Lanfranchi for massive sulphide mineralisation; and
- Commencing exploration on our newly acquired Cowan Nickel Project, located south of Lanfranchi.

Our target is to ensure that our Lanfranchi and Savannah operations have at least 10 years of reserves.

The Company is in good shape with a robust financial position and we are on track to increase production to over 20,000t Ni contained in 2008/09.



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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.

For further information contact:

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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by John Hicks who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Hicks 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 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.