



PANORAMIC

RESOURCES LTD



Vision, Commitment, Results

18 November 2008

ASX: PAN

NEWS RELEASE

COPERNICUS OPEN PIT OPERATIONS

Panoramic advises that due to continuing weakness in the nickel price, the Company and its joint venture partner, Thundelarra Exploration, have decided to suspend operations at Copernicus. The open pit mine will be placed on care and maintenance pending an improvement in the nickel price. The open pit was scheduled to produce approximately 1,600t of contained nickel this financial year (equating to 950t of nickel for Panoramic's 60% share).

This decision will have no impact on the Savannah Project where mining and milling of Savannah ore will continue as normal. The Company has a very strong balance sheet with \$92 million in cash and receivables (as at 30 September 2008) and a hedge book over \$100 million in the money (as at 23 October 2008) and no debt. The group is still on track to produce around 20,000t of contained nickel in 2008/09 from the Savannah and Lanfranchi Projects and resource and reserve drilling has been very successful in delineating more ore which should translate into significantly longer mine lives for both operations.

When the Copernicus feasibility study was completed last year, the nickel price was trading near its peak at well over US\$20/lb, a price considered to be unsustainable. Subsequently there was a downwards price correction to around US\$12-14/lb for a period of almost a year, a level at which the Copernicus Open Pit would make robust profits. During this period statutory approvals were received for the Copernicus Open Pit project, a decision was made to develop the project, construction commenced and the mining contractor mobilised to site. However since then, the nickel price has declined significantly and is now only marginally above the Copernicus cash cost and there is risk of further price deterioration.

The plan is to keep mining until this current phase of the pit development is completed (3 to 4 weeks) and then place the Copernicus operation on care and maintenance. The open pit and associated infrastructure are fully developed and will be left in a condition that will enable production to be recommenced at short notice.

Panoramic has a positive view on the outlook for commodity prices in the medium to longer term and therefore, in conjunction with our joint venture partner, we considered it to be in the best interests of all stakeholders to preserve the Copernicus resource until such time as the nickel price returns to levels where the Copernicus Open Pit can be mined and treated and make an acceptable financial return.

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 and a NPAT of \$53.3M. 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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