



Vision, Commitment, Results

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ASX: PAN

NEWS RELEASE

DEACON RESOURCE INCREASES TO 71,800 TONNES NICKEL CONTAINED

- Additional infill and down-plunge extensional drilling of the Deacon orebody completed in December 2008
- Updated Deacon Mineral Resource estimate is 2.46Mt @ 2.92% Ni for 71,800t Ni an increase of 13%
- Deacon Indicated Resource increased by 39% to 71,400 tonnes of contained nickel
- Indicated Resource comprises 99% of contained nickel tonnes
- Best drill results from infill drilling of the Deacon Inferred Resource and down-plunge extensions include:
 - 24.57m at 2.87%Ni, 0.24%Cu
 - 14.48m at 2.89%Ni, 0.20%Cu
 - 25.79m at 3.27%Ni, 0.33%Cu
 - 23.10m at 2.73%Ni, 0.23%Cu
- Drilling to explore for further extensions down-plunge planned for 2009

LANFRANCHI NICKEL PROJECT – DEACON RESOURCE UPDATE

Panoramic Resources, on behalf of the Lanfranchi Joint Venture, is pleased to announce an increased Deacon Mineral Resource of 2.46Mt at 2.92% Ni for **71,800 tonnes of contained nickel** which represents a 13% increase on the 30 June 2008 Deacon Resource (Table 1). Importantly the increased drill density has enabled the Indicated component of the Deacon Resource to be increased from 51,365 Ni tonnes in June 2008 to 71,400 Ni tonnes in December 2008, a 39% increase (Figure 1). Mine planning studies to convert this Resource into Ore Reserve status are currently underway. Previous Resource to Reserve conversions at Deacon have achieved conversion rates of 95% on a contained nickel tonne basis.

Table 1: Deacon – December 2008 Mineral Resource Estimate

| Class | Tonnes | Ni % | Ni Tonnes | Cu % | Cu Tonnes |
|-----------|-----------|------|-----------|------|-----------|
| Indicated | 2,440,000 | 2.93 | 71,400 | 0.26 | 6,300 |
| Inferred | 20,000 | 2.03 | 400 | 0.19 | 40 |
| Total | 2,460,000 | 2.92 | 71,800 | 0.26 | 6,340 |

Notes:

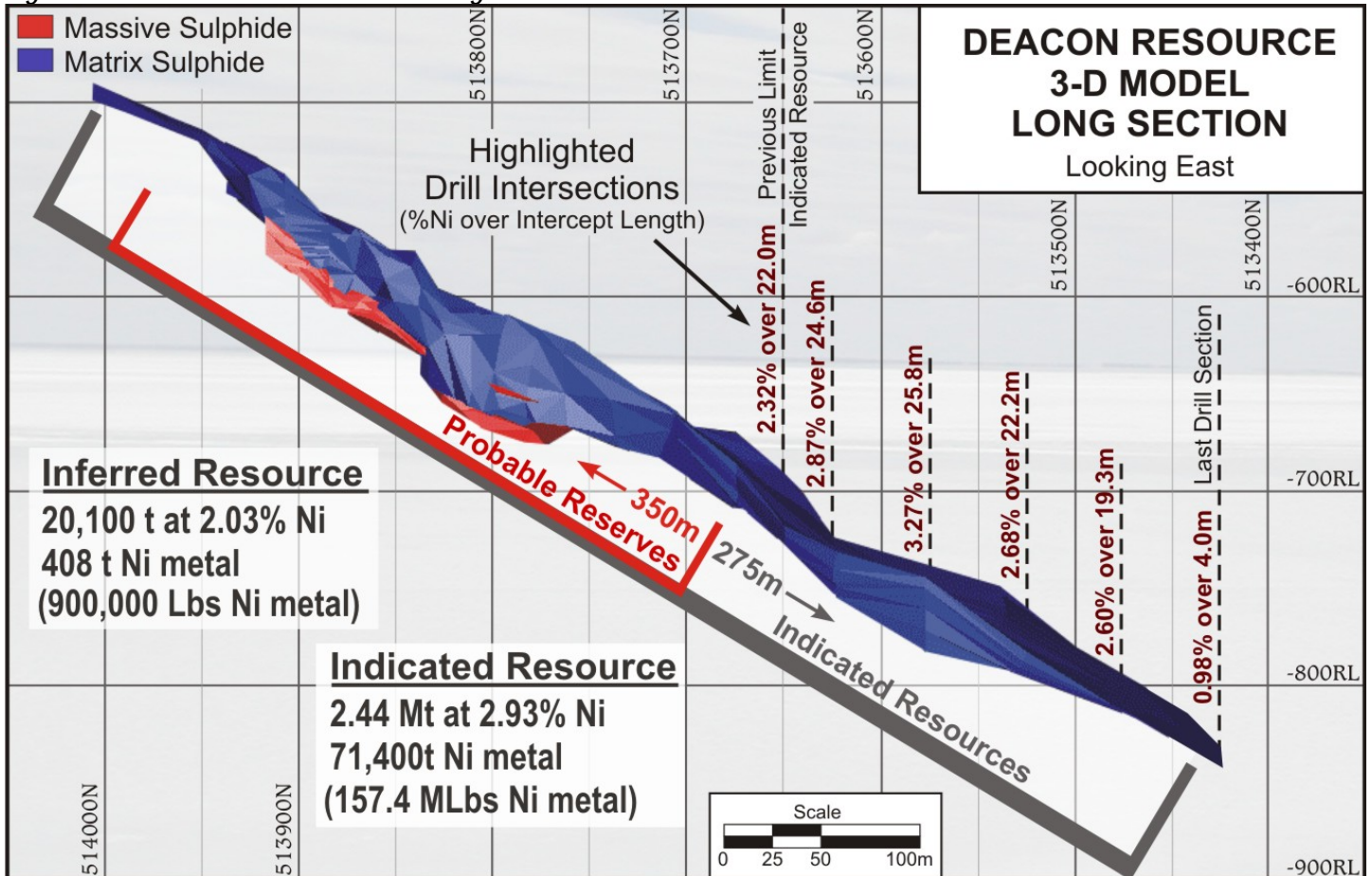
The December 2008 Deacon mineral resource estimate, which is JORC-compliant, has been prepared by BM Geological Services Pty Ltd and Lanfranchi Nickel Mines personnel. The estimate is based on a 3D Surpac block model utilising a block size of 10m NS x 10m EW x 2m vertical with 5.0m x 5.0m x 1.0m sub-cells and reported at 1.0% nickel cut-off grade. All drill holes have been accurately located using Leica survey instruments and down-hole Eastman survey cameras. Grade interpolation is by Inverse Distance 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 wireframes which were constructed on sectional interpretations to a 1.6% Ni cut-off grade. When present, high grade massive nickel sulphide mineralisation was domained separately on each wireframe.

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. A small zone of mineralisation at the extremities of the resource has been classified as Inferred due to the lack of sample support, poor continuity of grade and lithological controls.



Figure 1 : Deacon Resource 3-D Model Long Section



Background

The Deacon orebody was discovered in October 2006 and is a large coherent body of disseminated, matrix and high grade massive sulphide mineralisation situated within a well defined "channel" structure located immediately to the west of the Helmut South orebody. In March 2007 an initial resource estimate of 1,426,000t at 2.96% Ni for 42,190t of contained Ni was announced. This increased to 1,910,000t at 3.04% Ni for 58,100t of contained Ni in April 2007.

An infill drill program covering the first two proposed stoping panels at Deacon was completed from the 5660 level in April and May 2008. The program resulted in the June 2008 resource estimate of 2,243,000t at 2.83% Ni for 63,551t of contained Ni. Most of the increased nickel metal from the previous estimate (April 2007) was attributable to the increased massive sulphide nickel component of the resource which rose from 185,000t at 7.49% Ni for 13,800t Ni to 247,000t @ 7.4% for 18,300t Ni.

In April 2008 the Company also began development of the 5920 hanging wall drive, a 150m long dedicated drill drive situated above Deacon. The drive was developed as a platform to enable:

- infill drilling of Deacon and especially the conversion of the existing Inferred resource (approximately 12,000t nickel contained) at the base of Deacon to Indicated category;
- the evaluation of the Deacon orebody for an additional 150 – 200m down plunge; and
- to explore for repetitions of the Helmut South orebody for a similar distance down plunge.

Drilling commenced from the 5920 drill drive in August 2008 and was completed in December 2008. A total of 43 drill holes comprising 7844m were completed and form the basis of the December 2008 resource estimate. The drilling in-filled the existing Deacon resource sufficiently to permit most of the resource to be classified as Indicated. The drilling also extended the Deacon orebody for at least an additional 100m down-plunge to the south, adding approximately 8,000t of contained nickel to the December 2008 resource. Drill results from the three holes completed on Section 513425mN (275m down-plunge of Deacon Reserve limit) contrast from the fence



drilled on 513475mN indicating either a possible change in channel geometry or structural dislocation. Further down-plunge exploration will be undertaken during 2009 to search for extensions to the Deacon orebody.

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.

The information in this report that relates to Mineral Resources is based on information compiled by John Hicks. Mr Hicks is a full-time employee of Panoramic Resources Limited. Mr Hicks 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 Hicks consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Information in this report relating to 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 release of the matters based on his information in the form and context in which it appears.

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