



Vision, Commitment, Results

28 April 2009

ASX: PAN

QUARTERLY REPORT

for the period ending 31 March 2009

SIGNIFICANT POINTS

GROUP

- Safety – LTI free quarter
- Production - 4,549t Ni (100% basis)
- Cash and receivables – steady at \$66 million
- Costs - Group payable cash costs of US\$3.90/lb Ni
- Hedge book - \$74 million in the money

SAVANNAH

- Production – 1,847t Ni, 993t Cu and 103t Co
- Nickel production – ore tonnes steady, grade down
- Costs - payable cash costs of US\$3.95/lb
- Savannah resource upgrade expected in the June 2009 quarter

LANFRANCHI

- Production - 2,702t Ni, 199t Cu (100% Basis)
- Nickel production – record 1,142t Ni in March
- Agreed to acquire remaining 25% from JV partner
- Deacon ventilation system commissioned
- Deacon Reserve – 29% increase to 63,100t Ni
- Costs - payable cash costs of US\$3.84/lb Ni

EXPLORATION

- Savannah - remains open at depth - best result for quarter of 189 metres at 1.67% Ni, 1.21% Cu, 0.06% Co
- Lanfranchi potential underscored by Deacon reserve upgrade

MANAGING DIRECTOR'S COMMENTARY

- **Safety** - Our core value is safety and we are pleased with the continued effort being made by all our employees and contractors towards improving our safety performance. We remain encouraged by the safety statistics and particularly the LTI free March quarter.
- **Cost Reduction** – The flow through effect of our cost reduction program is beginning to be seen with aggregate site costs approximately \$5 million lower this quarter than the December 2008 quarter, which if annualised, would translate to a cost reduction of approximately A\$0.80 per pound of payable nickel. While Group nickel production fell 12% compared to the previous quarter the Group's nickel unit payable cash cost increased by only 6%, reflecting the early stages of the cost reduction program. We will continue to focus on cost reduction and productivity improvement initiatives, and anticipate that the cost reduction program implemented over the last 3-6 months will be fully evident in the June 2009 quarter.
- **Ni Production** – Record production was achieved at Lanfranchi in March with ore deliveries of 42,476t at 2.69% Ni for 1,142t Ni contained. While milled tonnes were steady at Savannah, lower nickel grades impacted on the Group's quarterly nickel production. The nickel grade at Savannah improved in April and is expected to average approximately 1.30% for the June 2009 quarter.
- **Lanfranchi Ownership** – the agreement to purchase the remaining 25% of Lanfranchi (announced in February) is a good outcome for both Panoramic and Brilliant Mining shareholders. A meeting of Brilliant shareholders to approve the transaction is scheduled for May. 100% ownership of Lanfranchi will consolidate Panoramic as one of Australia's major nickel sulphide miners with total resources exceeding 200,000t Ni contained, and with the 29% upgrade of the Deacon reserve to 63,100t Ni contained, total Group reserves will exceed 110,000t Ni contained (100% basis).
- **Hedging** – Our hedge book continues to hold significant value and is still A\$74 million in the money. To protect us against a possible strengthening A\$, the Company purchased US\$70 million of currency puts at an exercise price of US\$0.73, funded by granting US\$70 million of currency calls at an exercise price of US\$0.56 (exercisable between July 2009 and June 2010).

GROUP SUMMARY

The Panoramic Group payable nickel unit cash costs are summarised in Figure 1 on a quarterly basis since the beginning of 2007, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period sale adjustments) and the resultant historical Group A\$ cash margin on a payable nickel basis.

Figure 1: Cash Margin & Payable Costs

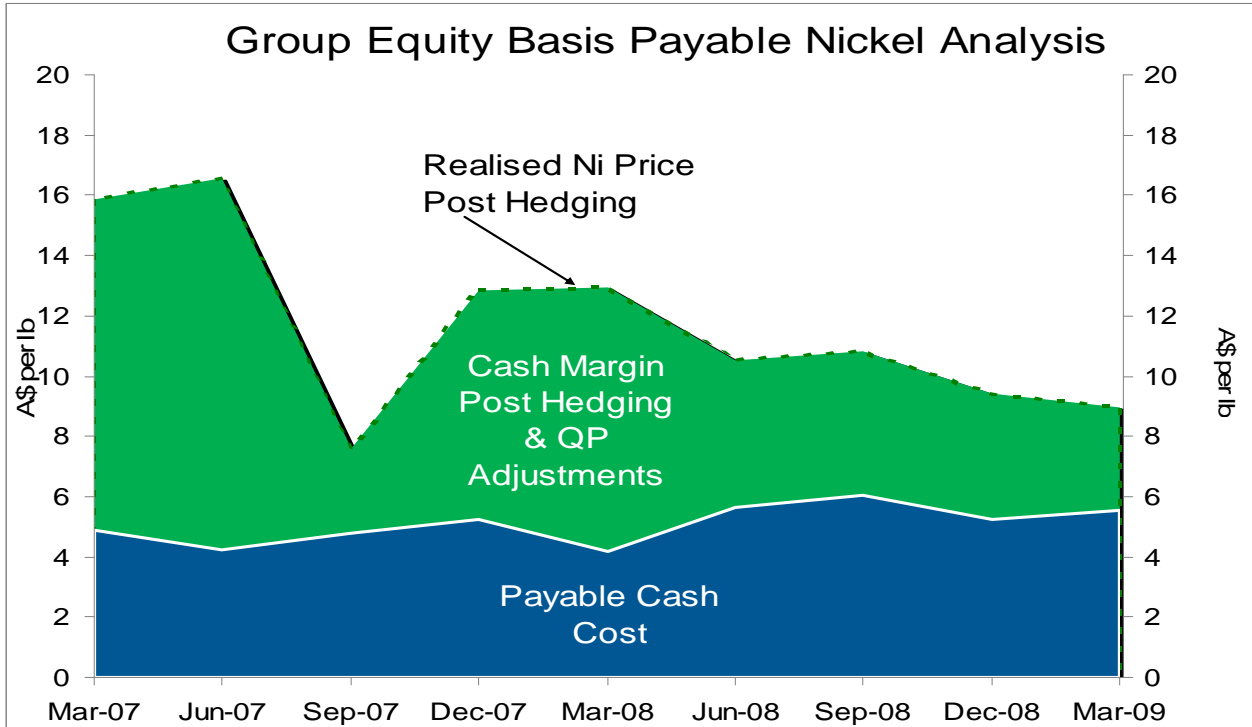


Table 1: Group Production & Unit Costs

	Units	Savannah 100% 3mths ending 31 Mar 2009	Lanfranchi 100% 3mths ending 31 Mar 2009	Group Equity 3mths ending 31 Mar 2009	Group Equity Previous Qtr 31 Dec 2008
Ore Tonnes Mined	dmt	174,478	104,137	252,581	260,149
Ore Tonnes Treated	dmt	174,217	104,856	252,859	263,681
Average Nickel Grade	%	1.23	2.59	1.53	1.69
Nickel in Concentrate/Ore	tonnes	1,847	2,702	3,874	4,398
Copper in Concentrate/Ore	tonnes	993	199	1,142	1,312
Cobalt in Concentrate/Ore	tonnes	103	-	103	115
Costs Per Pound Payable Nickel					
Mining	A\$ per lb	2.61	3.86	3.22	3.13
Milling	A\$ per lb	1.69	1.03	1.37	1.37
Administration	A\$ per lb	1.74	0.22	1.00	1.03
Haulage	A\$ per lb	0.31	0.20	0.26	0.22
Port Charges/Shipping	A\$ per lb	0.41	-	0.21	0.21
Royalties	A\$ per lb	0.47	0.28	0.38	0.40
Net By-product Credits	A\$ per lb	(1.60)	(0.13)	(0.89)	(1.11)
Payable Operating Cash Costs^(a)	A\$ per lb	5.63	5.46	5.55	5.25
Payable Operating Cash Costs^(b)	US\$ per lb	3.95	3.84	3.90	3.44

(a) Capital development unit cost for the March 2009 quarter on a group equity basis was A\$0.78/lb. This cost is not included in Table 1. 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) RBA settlement rate of US\$0.7024 as at 21 April 2009 (December 2008 quarter exchange rate was US\$0.6550).

(c) Group Equity is based on 75% of the Lanfranchi Project (notwithstanding that the Company has agreed to purchase the remaining 25% interest in the Project, effective 1 November 2008).

Commentary

Group production on an equity basis for the March quarter was 3,874t Ni contained (4,549t on a 100% basis) which is 12% less than the previous quarter. Despite the production decrease, the Group's nickel unit payable cash cost in A\$'s only rose 6% from A\$5.25/lb (US\$3.44/lb) to A\$5.55/lb (US\$3.90/lb), which is a positive reflection of the cost reduction initiatives across the Group. Total Group expenditure has fallen as a consequence of the following:

- the cost reduction and productivity programs;
- reduced exploration expenditure following the completion of Savannah Extension and Deacon Reserve drilling; and
- lower capital investment commitments post the completion of the Deacon Ventilation Project.

Purchase of 25% Interest in the Lanfranchi Project

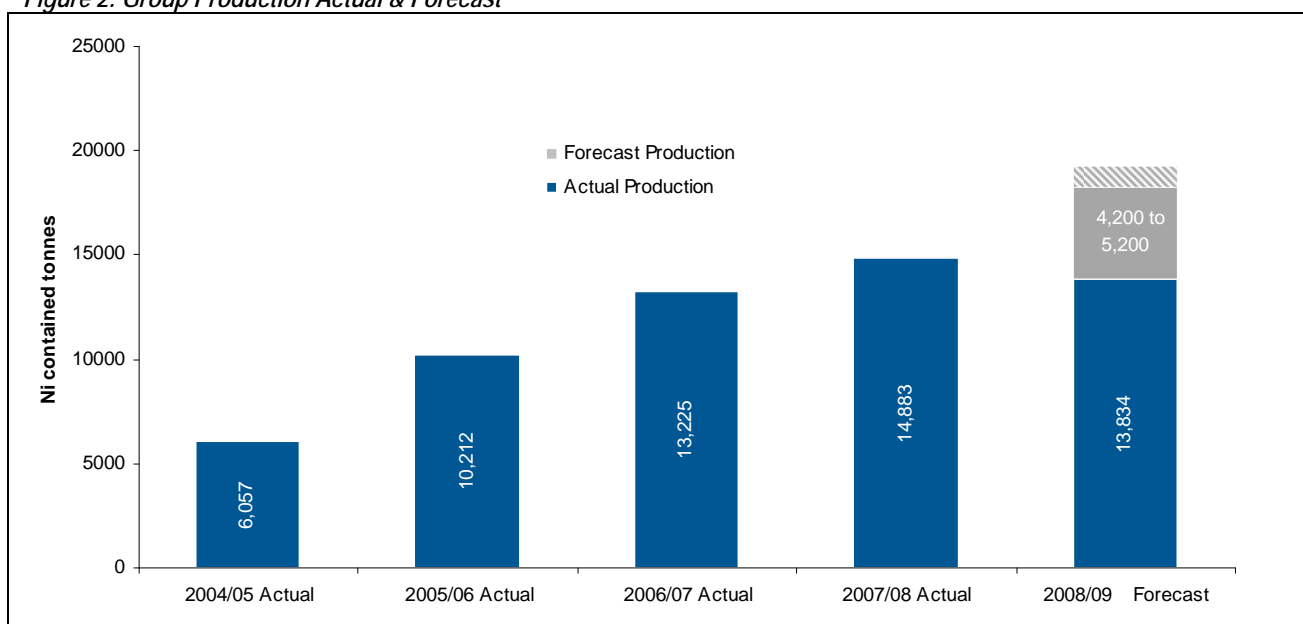
In February Panoramic announced the purchase, from its joint venture partner Brilliant Mining Corp., of the remaining 25% interest in the Lanfranchi Project with an effective transaction date of 1 November 2008. The Company has agreed to issue 12 million shares and 3 million unlisted options (exercise price of \$1.50, expiry 31 Dec 2012) in exchange for Brilliant's 100% Australian entity, Donegal Resources Pty Ltd, (which has the 25% equity interest in the Project). The issue of the securities to Brilliant is conditional upon the ratification of the sale of Donegal Resources to Panoramic at a meeting of Brilliant shareholders, to be held on 19 May 2009, and the completion of due diligence on Donegal Resources by Panoramic in early May.

The consolidation of the Lanfranchi Project represents an important strategic acquisition for Panoramic and will result in a combined Lanfranchi and Savannah Resource base of over 200,000t Ni contained. With the 29% upgrade of the Deacon Reserve to 63,100t Ni contained, total Group Reserves will exceed 110,000t Ni contained.

Production Outlook

The production forecast for Panoramic's combined operations (Lanfranchi & Savannah) for FY2008/09 is expected to be in the range of 18,000 to 19,000t Ni contained plus copper and cobalt credits (100% project basis), which represents a 20-30% increase on FY2007/08. With the consolidation of the Lanfranchi Project (subject to Brilliant shareholder approval and based on the effective date of 1 November 2008), Panoramic's equity share of forecast production for FY2008/09 is expected to be in the range of 17,000 to 18,000t Ni contained.

Figure 2: Group Production Actual & Forecast



Notes

1. Savannah production is based on nickel in concentrate (PAN owns 100% of Savannah)
2. Lanfranchi production is based on nickel in ore (PAN owning 75% of Lanfranchi to 31 Oct 2008, and thereafter 100% following the purchase of the remaining 25% of the Project)

SAVANNAH PROJECT

The Savannah Project produced 1,847t Ni, 993t Cu and 103t Co contained with nickel production lower than the December quarter, due primarily to a short term 15% reduction in the nickel head grade. Despite an expectation that the higher grade areas of the mine would continue to be accessed during the quarter, short term changes to the mining schedule resulted in the accessing of lower grade stopes. Higher grade stopes are forecast to be accessed during the June quarter, with the grade forecast to average approximately 1.30% Ni.

Table 2 – Savannah Project Operating Statistics

Area	Details	Units	3 mths ending 31 Mar 2009	3 mths ending 31 Dec 2008	2008/09 YTD	2007/08 Full Year
Mining	Ore mined	dmt	174,478	173,851	515,362	689,324
	Ni grade	%	1.23	1.45	1.30	1.26
	Cu grade	%	0.59	0.67	0.60	0.62
	Co grade	%	0.07	0.08	0.07	0.07
Milling	Ore milled	dmt	174,217	179,421	515,630	688,486
	Ni grade	%	1.23	1.43	1.30	1.26
	Cu grade	%	0.59	0.66	0.60	0.62
	Co grade	%	0.07	0.07	0.07	0.07
	Ni Recovery	%	86.2	89.0	87.3	87.3
	Cu Recovery	%	96.5	96.9	96.4	96.1
	Co Recovery	%	89.5	89.9	89.8	89.2
Concentrate Production	Concentrate	dmt	25,296	29,573	77,311	96,082
	Ni grade	%	7.30	7.72	7.57	7.89
	Ni metal contained	dmt	1,847	2,283	5,849	7,579
	Cu grade	%	3.92	3.85	3.89	4.24
	Cu metal contained	dmt	993	1,140	3,005	4,072
	Co grade	%	0.40	0.39	0.40	0.43
	Co metal contained	dmt	103	115	309	409
Concentrate Shipments	Concentrate	dmt	26,759	26,300	76,771	97,657
	Ni grade	%	7.26	7.72	7.48	7.87
	Ni metal contained	dmt	1,942	2,031	5,745	7,681
	Cu grade	%	3.82	3.85	3.86	4.24
	Cu metal contained	dmt	1,021	1,013	2,965	4,141
	Co grade	%	0.40	0.39	0.40	0.42
	Co metal contained	dmt	107	103	305	412

LANFRANCHI JOINT VENTURE (PANORAMIC 75%)

March quarter production from Lanfranchi was 104,137 tonnes of ore at 2.59% Ni for 2,702t Ni contained. While ore mined for the March quarter was 9% below the previous quarter, the nickel head-grade was up 6%. Record ore production was achieved at Lanfranchi in March, with deliveries to the Kambalda concentrator totaling 42,476 tonnes of ore at an average grade of 2.69% Ni for 1,142t Ni contained.

Table 3 – Lanfranchi Project Operating Statistics

Area	Details	Units	3mths ending 31 Mar 2009	3mths ending 31 Dec 2008	2008/09 YTD	2007/08 Full Year
Mining	Ore mined	dmt	104,137	115,064	300,835	286,116
	Ni grade	%	2.59	2.45	2.63	2.55
	Ni metal contained	dmt	2,702	2,820	7,916	7,304
	Cu grade	%	0.20	0.20	0.21	0.20
Ore Delivered	Ore delivered	dmt	104,856	112,346	297,952	281,251
	Ni grade	%	2.56	2.45	2.62	2.55
	Ni metal contained	dmt	2,681	2,750	7,815	7,178
	Cu grade	%	0.20	0.20	0.21	0.22

Completion of the Deacon Ventilation Project

The Deacon Ventilation Project was completed in February following the successful commissioning of the \$4 million ventilation fan. Over a planning and construction period lasting two years, two 4.5 metre diameter raisebore holes (910 metres in total) and over 1,000 metres of lateral development were completed. The raiseboring, development, and ventilation fan installation were completed within a month of the original target date, which is a tremendous credit to the team at Lanfranchi. The completion of the ventilation system sets up the Lanfranchi mines for the next 10 years and beyond.

Figure 3: Deacon Ventilation Fan



COPERNICUS JOINT VENTURE (PANORAMIC 60%)

Copernicus Open Pit

The open pit mine remains on care and maintenance pending a sustained improvement in the nickel price. The open pit and associated infrastructure are fully developed, and have been left in a state that will enable mining to recommence at short notice. Copernicus open pit ore remains stockpiled for treatment at Savannah, subject to mill availability.

EXPLORATION

Savannah Project (Panoramic 100%)

500 Fault Zone & Lower Zone Resource Drilling

Drilling to evaluate the Lower Zone Resource is nearing completion, with a Resource upgrade expected in the June 2009 quarter. Drilling continues to return excellent results with the latest Lower Zone intersections as follows:

- KUD767 73.5 metres at 1.82% Ni, 0.78% Cu, 0.06% Co
- KUD769 19.5 metres at 1.62% Ni, 1.02% Cu, 0.06% Co
44.3 metres at 1.07% Ni, 0.49% Cu, 0.06% Co
- KUD776 188.9 metres at 1.67% Ni, 1.21% Cu, 0.06% Co

Drilling to date has extended the mineralisation to approximately 900 metres below surface, where a "500 fault like" structure appears to have offset the Savannah intrusion approximately 100-150 metres north. The downhole EM program completed in March indicates that the offset block contains mineralisation. Based on current geological information, Savannah mineralisation appears to continue beyond the depth of the current drilling.

Lanfranchi Project (Panoramic 75%)

Deacon

Down-plunge drilling of the Deacon Ore Resource was completed during the December quarter resulting in an increased Mineral Resource of 2.46Mt at 2.92% Ni for **71,800t Ni contained** (Table 4), representing a 13% increase on the 30 June 2008 Deacon Mineral Resource. The Indicated Category of the Deacon Ore Resource increased from 51,365t Ni contained in June 2008 to 71,400t Ni contained in December 2008, and has been the focus of mine planning studies during the March quarter.

Table 4: Deacon – December 2008 Mineral Resource Estimate (at 1.0% Ni cut-off)

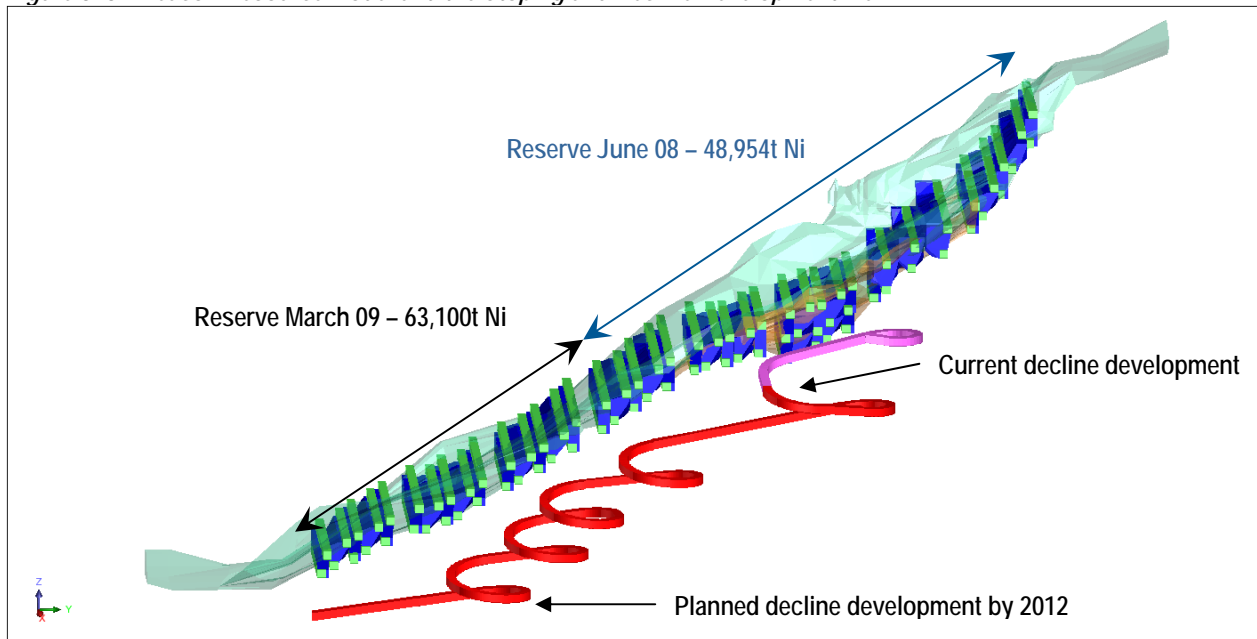
Class	Tonnes	Ni %	Ni Tonnes	Cu %	Cu Tonnes
Indicated	2,440,000	2.93	71,400	0.26	6,300
Inferred	20,000	2.03	400	0.19	40
Total	2,460,000	2.92	71,800	0.26	6,340

Mining studies have been completed for the new Deacon Ore Reserve which has increased by 29% to **2.5Mt at 2.52% Ni for 63,100t Ni contained** (Table 5). The Deacon deposit is to underpin future production at Lanfranchi which, subject to favorable economics, now extends the Lanfranchi Project beyond 2016.

Table 5: Deacon – March 2009 Ore Reserve Estimate (at 1.0% Ni cut-off)

Class	Tonnes	Ni %	Ni Tonnes
Probable	2,501,000	2.52	63,100
Total	2,501,000	2.52	63,100

Figure 3: 3D Deacon Resource Model and the Stopping and Decline Development Plan



Cowan Nickel Project (Panoramic 100%)

Following the completion of field mapping and moving loop electromagnetic (MLEM) surveys on the Junction South Project, the decision was made to withdraw from the Junction South JV with Image Resources. The Cowan Nickel Project now comprises two areas:

- Cowan Nickel (100% nickel rights) - approximately 450km² of tenements adjacent to Mincor’s nickel mines at Miitel, Mariners, Wannaway and Redross;
- Logan’s Find (100% nickel rights) - one tenement (approximately 56km²) located 30km west of Kambalda and 15km northwest of the historic Spargoville nickel mine, in the same stratigraphic succession that hosts the Widgiemooltha nickel deposits.

Field mapping and MLEM surveys continued during the March quarter to locate drill targets.

Norrland Nickel JV (Earning up to 70%)

Panoramic entered a joint venture with Norrland Resources Ltd in October 2008 to explore for nickel sulphide mineralisation in the Vasterbotten district of Sweden. Norrland has secured over 1,000km² of exploration licences within the Vasterbotten District surrounding areas of known nickel sulphide mineralisation with advanced nickel sulphide projects. Vasterbotten is geologically similar to the Thompson Nickel Belt in Canada which contains >2 million tonnes of nickel. Airborne EM geophysical surveys will be utilised as a first pass exploration tool with drill targets being defined using a combination of EM surveys, aeromagnetic data and the distribution of nickel sulphide occurrences in boulders.

Exploration during the March quarter was limited to desktop geological interpretation and modelling. Detailed analysis of 3D gravity inversion modelling was completed which will provide the basis for more detailed geophysical surveys over key target areas in the upcoming Northern summer field season.

CORPORATE

Safety

The Loss Time Injury Frequency Rate (LTIFR) decreased from 12.0 at the end of December to 11.6 at the end of March, with no LTIs reported during the quarter. Ongoing strategies have been introduced to reinforce positive safety behaviour, to improve communications, and to identify all hazards in the work place. Greater emphasis is being placed on ensuring that risk management practices are used in all instances. Appropriate training and other resources are being made available to make sure that these practices become entrenched throughout our operations.

Liquid Assets & Debt

Cash on hand at the end of the quarter was \$51 million plus receivables of \$15 million, for a total of \$66 million in short term liquid assets. The strong cash on hand and receivables position compares favorably with the previous quarter of \$70 million, after the significant payments summarised in Table 6:

Table 6: Significant expenditure items during the March 2009 quarter

Payment	Description
\$1.9 million	Fully franked 1 cent dividend paid to shareholders in March 2009
\$1.2 million	Finance lease residual payouts on existing equipment
\$3.2 million	Lanfranchi Deacon Ventilation Project (75%)
\$0.5 million	Care and maintenance expenditure on the Copernicus Project (60%)
\$0.7 million	Exploration expenditure
\$1.1 million	Redundancy costs and related items
\$8.6 million	Total significant expenditure items during March 2009 quarter

The Panoramic Group debt totals only \$5 million for finance leases for mobile equipment and sundry items.

Interim Dividend

In February Panoramic declared an interim fully-franked dividend of 1 cent per share, which was paid on 20 March.

Hedging

As at 31 March 2009, the Panoramic Group hedge book was **\$73.8 million in the money** compared to \$73.7 million in the money at the end of the last quarter, as summarised in Table 7:

Table 7: Group Hedge Book – A\$ Mark-to-Market Valuation as at 31 March 2009

Commodity	Mark-to-Market 31 Mar 2009	Mark-to-Market 31 Dec 2008
Nickel Forwards	\$68.3 million	\$71.7 million
Bought Nickel Put Options	\$3.5 million	\$3.6 million
Sold Nickel Put Options	(\$0.1 million)	(\$0.2 million)
Bought US\$ Currency Put Options	\$4.3 million	\$1.0 million
Sold US\$ Currency Call Options	(\$1.2 million)	-
US\$ Currency Forwards	(\$1.0 million)	(\$2.4 million)
Total Mark-to-Market	\$73.8 million	\$73.7 million

To supplement our existing currency protection, in February the Company purchased US\$70 million of puts at an exercise price of US\$0.73. The cost of the puts was funded by granting US\$70 million of calls at an exercise price of US\$0.56. These US\$ puts can be exercised by the Company between July 2009 and June 2010 (US\$5.8 million per month) if the A\$ retraces and remains above US\$0.73.

The Company's metal and currency hedge book as at 31 March 2009 is summarised in Table 8:

Table 8: Group Hedge Book as at 31 March 2009

Commodity	Quantity 31 Mar 2009	Average Price/Rate 31 Mar 2009	Quantity 31 Dec 2008	Average Price/Rate 31 Dec 2008
Nickel Forwards (delivery Apr 2009-Jun 2010)	3,000t	US\$26,106/t US\$11.84/lb	3,750t	US\$25,570/t US\$11.60/lb
Bought Nickel Put Options (delivery Apr 2009 to Jun 2009)	404t	US\$15,000/t US\$6.80/lb	693t	US\$15,000/t US\$6.80/lb
Sold Nickel Call Options (delivery Apr 2009 to Jun 2009)	606t	US\$18,000/t US\$8.16/t	1,040t	US\$18,000/t US\$8.16/t
Bought US\$ Put Options (delivery Apr 2009 to Jun 2009)	US\$67.8 million	US\$0.9000	US\$124.0 million	US\$0.9000
Bought US\$ Put Options (delivery Apr 2009 to Dec 2009)	US\$27.0 million	US\$0.8000	US\$36.0 million	US\$0.8000
Bought US\$ Put Options (delivery Jul 2009 to Jun 2010)	US\$69.6 million	US\$0.7254	-	-
Sold US\$ Call Options (delivery Jul 2009 to Jun 2010)	US\$69.6 million	US\$0.5628	-	-
US\$ Currency - matched with Ni	US\$8.7 million	US\$0.7575	US\$22.3 million	US\$0.7589

Including the outstanding bought nickel put options (which will continue to be exercised by Panoramic if the US\$ nickel price remains below US\$15,000/t between April to June 2009), and based on current forecast production on a payable nickel basis for FY2008/09 and FY2009/10, the Company is 30-40% hedged for the remainder of FY2008/09, and 20-30% hedged for FY2009/10.

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 (moving to 100% ownership) south of Kambalda. In 2007/08 our operations produced close to 15,000t Ni contained and generated a NPAT of \$53.3M. Subject to a sustainable recovery in global markets and the nickel price, the Company has an internal target of group production of 20,000t Ni per annum over a 10 year period. Panoramic has a significant exploration portfolio in the Kimberley and at Lanfranchi and is focusing 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 that reflect the Company's commodity expertise and risk profile.

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 release relating to Ore Reserves has been completed by or reviewed by Mr Jon Bayley who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Bayley is a full-time employee of Panoramic Resources Limited. Mr Bayley 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 Bayley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.