



Vision, Commitment, Results

7 May 2009

ASX: PAN

NEWS RELEASE

DEACON RESERVE INCREASED BY 29% TO 63,100 TONNES NICKEL CONTAINED

- Deacon Ore Reserve increased by 29% to **63,100t Ni contained**
- Group Reserves exceed **110,000t Ni contained** (Lanfranchi 100% Basis)
- Group Resources exceed **200,000t Ni contained** (Lanfranchi 100% Basis)
- Group Resources expected to increase with the Savannah Resource Upgrade anticipated in May 2009

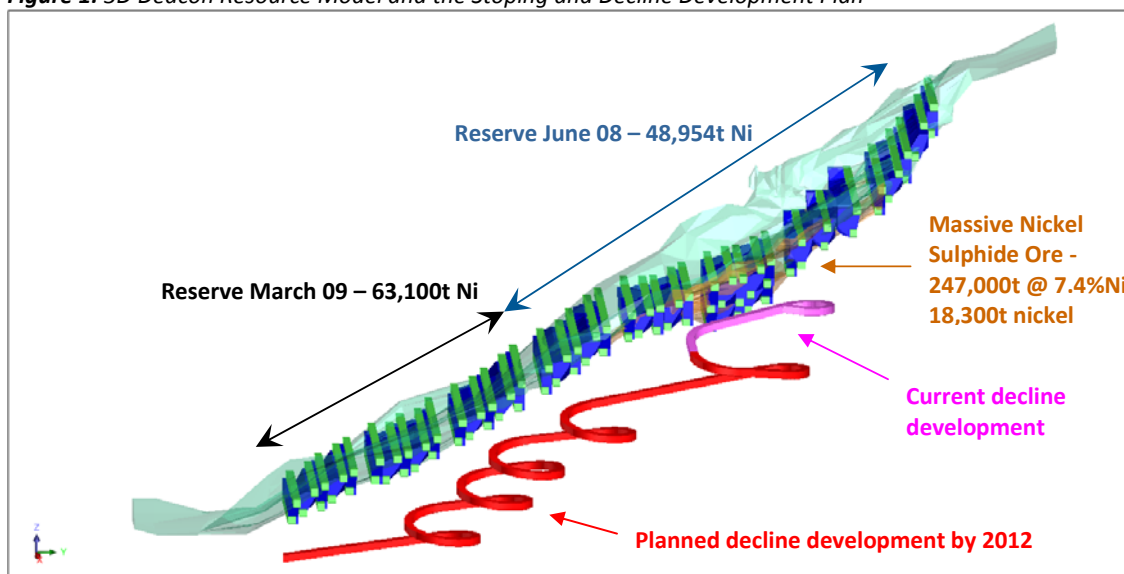
LANFRANCHI NICKEL PROJECT – DEACON RESERVE UPDATE

Panoramic Resources is pleased to announce an increased Deacon Ore Reserve of 2.5Mt at 2.52% Ni for **63,100 tonnes of contained nickel** (as at 31 March 2009) which represents a 29% increase on the 30 June 2008 Deacon Reserve. A resource to reserve conversion of 92% has been achieved. The Deacon orebody will underpin future production at Lanfranchi which, with favorable economics, extends the Lanfranchi Project beyond 2016. Based on the new Life of Mine plan, it is anticipated that the Deacon decline development will be completed by 2012. This will provide full access to the Deacon orebody and greater production flexibility.

Table 1: Deacon – March 2009 Ore Reserve Estimate (1.0% Ni cut-off)

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

Figure 1: 3D Deacon Resource Model and the Stopping and Decline Development Plan





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Exploration

The down-plunge and up-plunge extensions of Deacon remain open and will be the focus of future exploration, along with the potential down-plunge extensions to Helmut South. New drilling platforms will be required to test for channel extensions.

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 19 May 2009. 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).

Savannah Exploration

Drilling to evaluate the Lower Zone Resource is nearing completion, with a Resource upgrade expected in May. Drilling continues to return excellent results with the latest Lower Zone intersections including:

- 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 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, the Savannah mineralisation remains open below 900 metres.

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 a target for 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 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 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.

For further information contact:

Peter Harold
Managing Director
+61 8 9225 0999