



*Vision, Commitment, Results*

3 June 2009

ASX: PAN

NEWS RELEASE

**SAVANNAH – LOWER ZONE RESOURCE INCREASE TO 50,120 TONNES NICKEL CONTAINED**

*Highlights*

- Savannah Project **Lower Zone Resource** increased to 3.40Mt at 1.48% Ni for **50,120t Ni contained**
- New Resource represents a **142% increase in nickel** compared to the 30 June 2008 Lower Zone Resource of 20,700t Ni
- Total Savannah Resource (Upper and Lower Zone combined) now **exceeds 98,500t Ni contained**
- Drilling underway to **test the strong EM anomaly** below the current known mineralisation
- Significant **increase in contained copper and cobalt** which contributes significant by-product credits

*Details*

Panoramic Resources Limited ("**Panoramic**") is pleased to announce an increase in the Indicated Mineral Resource for the Savannah Project Lower Zone to 3.40Mt at 1.48% Ni, 0.83% Cu and 0.07% Co for 50,120 tonnes Ni contained (Table 1). The new Lower Zone Resource is the culmination of a 16 month underground diamond drilling program below the 500 Fault (Figure 1).

Table 1: Savannah - Lower Zone - Mineral Resource (using 0.5% Ni cut-off)

Category	Tonnes	Ni %	Cu %	Co %	Ni (t)	Cu (t)	Co (t)
Measured	-	-	-	-	-	-	-
Indicated	3,395,000	1.48	0.83	0.07	50,120	28,210	2,380
Inferred	-	-	-	-	-	-	-
<b>Total</b>	<b>3,395,000</b>	<b>1.48</b>	<b>0.83</b>	<b>0.07</b>	<b>50,120</b>	<b>28,210</b>	<b>2,380</b>

*Notes:*

1. Panoramic undertook the interpretation work and construction of the 3D geological wireframes and solids.
2. Cube Consulting Pty Ltd ("Cube") undertook the resource grade estimation.
3. Cube believes that the current geological model is fundamentally sound and provides an appropriate basis for mine planning and project evaluation.

*Significant Points*

- This new resource incorporates all mineralisation below the 500 Fault down to approximately 900m below surface where the Savannah Intrusion has been off-set by a fault along a sub-horizontal mafic dyke.
- The new resource represents a 142% increase in nickel compared to the previous Lower Zone Resource of 20,700t Ni contained, as estimated at 30 June 2008. It also represents a 42% overall increase to the total Savannah Resource, as estimated at 1 March 2009 (Table 2).
- The Savannah Intrusion has been off-set approximately 100m to the north below a mafic dyke (Figure 1). As part of the Lower Zone diamond drilling program drill hole KUD658 was extended down into the off-set block, terminating 100m below the dyke and close to the southern contact of the Savannah Intrusion. The hole returned a strong, continuous off-hole Electro-Magnetic (EM) anomaly from immediately below the mafic dyke. The character and magnitude of the anomaly is equal to the best of the EM anomalies recorded in the vicinity of the Savannah deposit to date.



- Drill hole KUD810 is currently being drilled, targeting the mineralised zone within the offset block below the mafic dyke.
- The new resource has resulted in a significant increase in contained copper and cobalt which report to the concentrate and contributes significant by-product credits.

Figure 1: Three dimensional representation of the Savannah Mineral Resource

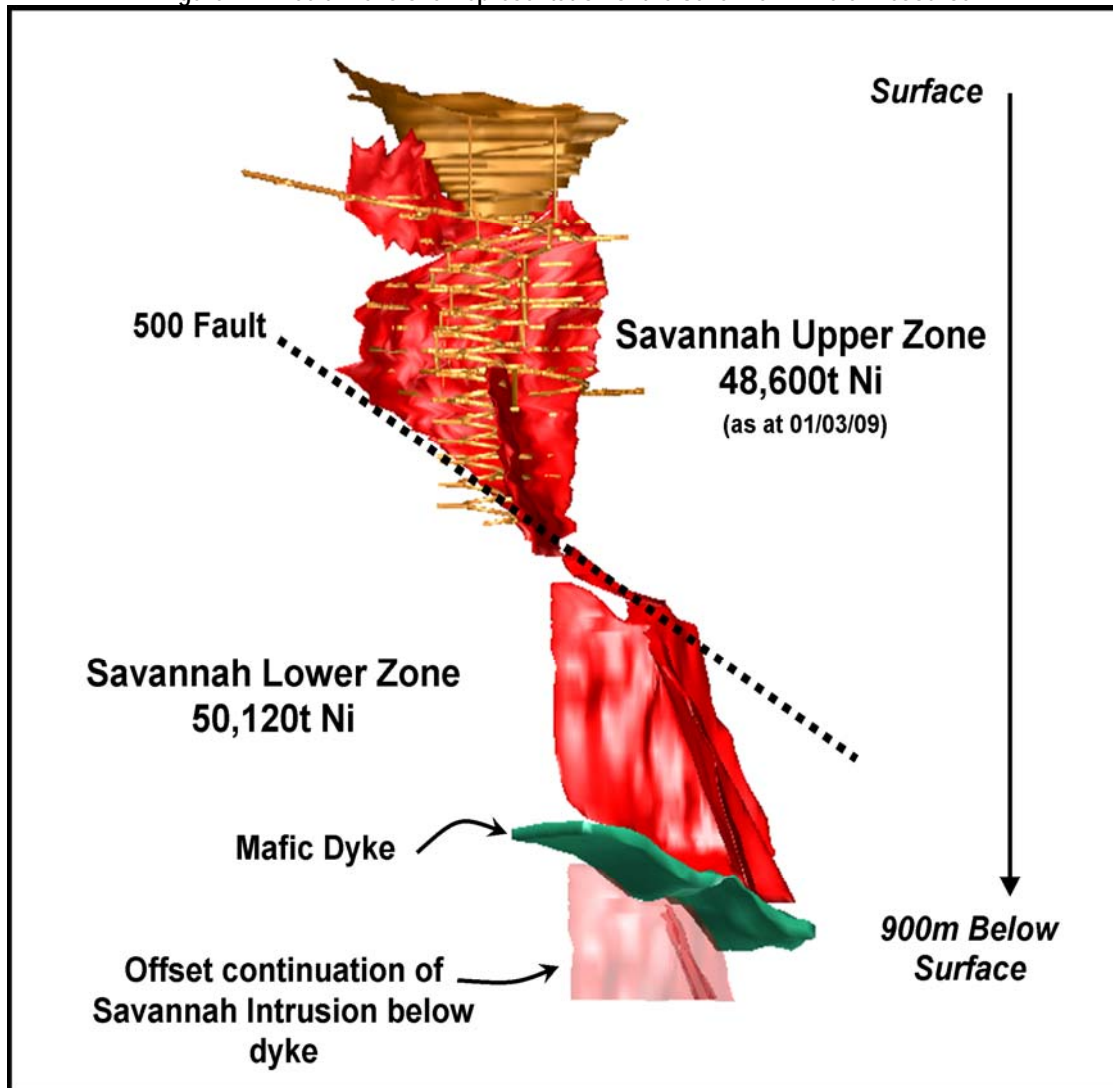


Table 2: Total Savannah Mineral Resource prior to revised Lower Zone estimate (using 0.5% Ni cut-off)

Category	Tonnes	Ni %	Cu %	Co %	Ni (t)	Cu (t)	Co (t)
Upper Zone	(as at 1 March 2009)						
Measured	1,642,600	1.72	0.86	0.09	28,300	14,160	1,470
Indicated	1,271,500	1.56	0.76	0.08	19,890	9,710	1,020
Inferred	65,700	0.65	0.25	0.04	430	160	30
Sub-Total	2,979,800	1.63	0.80	0.08	48,620	24,030	2,520
Lower Zone	(as at 30 June 2008)						
Indicated	1,097,700	1.27	0.68	0.07	13,940	7,470	770
Inferred	509,500	1.34	0.47	0.07	6,810	2,410	340
Sub-Total	1,607,200	1.29	0.61	0.07	20,750	9,870	1,110
Total	4,587,000	1.47	0.71	0.08	69,370	33,900	3,630



## ***Growth Strategy***

The significant increase in the Savannah Lower Zone Resource, together with the recently completed acquisition of Brilliant Mining's 25% interest in the Lanfranchi Project, represent important milestones in our nickel growth strategy. Panoramic's medium to long term strategy is to grow and diversify our portfolio of projects in nickel and other selected commodities (specifically copper, gold and PGMs, lead, zinc & selected bulk commodities). In this regard, Panoramic is actively assessing potentially company transforming acquisition opportunities that are complementary to Panoramic's existing businesses and capabilities consistent with the objective of becoming a large diversified Australian mining house.

## **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 the Lanfranchi Project (100% owned) 42km south of Kambalda. In FY2008 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 release that relates to Mineral Resources is based on information compiled by John Hicks and Aongus Burke. Both Mr Hicks and Mr Burke are members of the Australasian Institute of Mining and Metallurgy (AusIMM) and full-time employees of Panoramic Resources Limited. Mr Hicks and Mr Burke have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person 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 and Mr Burke both consent to the inclusion in the release of the matters based on the information in the form and context in which it appears.*

*Information in this release relating to Mineral Resources has been either completed by or reviewed by Christopher Black of Cube Consulting Pty Ltd. Mr Black is a member of The Australian Institute of Geoscientists (AIG) 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 Black 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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