



Vision, Commitment, Results

20 November 2009

ASX: PAN

NEWS RELEASE

ADDITIONAL 10 YEAR OFFTAKE SECURED FOR SAVANNAH CONCENTRATE

Panoramic Resources Limited ("**Panoramic**") is delighted to announce that Jinchuan Group Limited ("**Jinchuan**") and Sino Nickel Pty Ltd ("**Sino Nickel**") have agreed to extend the offtake of Savannah nickel/copper/cobalt concentrate for a further 10 years from 1 April 2010 on similar terms to the original Concentrate Sales Agreement signed in 2003.

Background

The Savannah operations have significantly exceeded the initial 2002 feasibility study assumptions in three key areas, namely:

- Extended mine life of the Upper Zone Resource (above the 500 fault) – the additional ore discovered at the margins of the orebody together with the construction of the paste plant has allowed us to extract a higher percentage of the Resource such that the Upper Zone Ore Reserve as at 30 June 2009 still contained 27,200t Ni. Based on the most recent mine plan, we will be mining the Upper Zone until at least mid 2012.
- Potential to extended mine life of the existing orebody (below the 500 fault) – following on from the exploration drilling below the 500 Fault, the Company reported a significant new resource below the 500 fault (the new Lower Zone) of 50,120t Ni and we are anticipating this will result in a significant extension to the mine life when it is converted to a reserve. We are expecting the Lower Zone Reserve to be released during this quarter.
- Improved metallurgical recoveries – with some minor plant modifications, optimisation of grind size and reagent regime, better control of flotation process and a reduction in the nickel grade in concentrate from the original target of 9% to around 7-8%, the plant is now achieving a nickel recovery of 87-88% compared to the feasibility study target of 76%.

Given that the Savannah Project is expected to be in production well past the current offtake expiry date of 28 March 2010, the Company commenced discussions with our current offtake partners in early 2009 regarding terms for the offtake of Savannah concentrate post the expiry date of the existing agreement.

Details of New 10 Year Concentrate Offtake

The culmination of these discussions is that Savannah Nickel Mines Pty Ltd (a wholly owned subsidiary of Panoramic) has signed a Memorandum of Understanding ("MoU"), intended to be legally binding, with Jinchuan and Sino Nickel, to continue to purchase 100% of the annual production of nickel/copper/cobalt concentrate from the Savannah Nickel Project for a further 10 years commencing on 1 April 2010. Sino Nickel is a joint venture company owned 60% by Jinchuan and 40% by Sino Mining International Limited ("**Sino International**").

The terms agreed to in the MoU (concentrate specifications, payable metals, payment terms, etc.) are similar to the terms of the original Concentrate Sales Agreement signed in 2003, and are considered by Panoramic to be very competitive in world terms. The Savannah concentrate will continue to be shipped from Wyndham to Jinchuan's smelter/refinery in Gansu province, northwest China.



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The general terms and conditions include the following:

- Product – sulphide concentrate with a typical specifications of 7-8% Ni, 4-5% Cu, 0.5-1.0% Co, 40% Fe, 0.5-1.0% MgO
- Quantity – approximately 100,000 wet metric tonnes per annum (no minimum or upper limit)
- Payable metals – Ni, Cu and Co
- Price basis – agreed % of LME cash price for Ni and Cu and agreed % of Metal Bulletin Co price
- Life of contract - from 1 April 2010 for a further 10 years

A new formal concentrate sales agreement based on the terms agreed in the MoU will be signed in due course.

Panoramic is very pleased to have extended the offtake with Jinchuan/Sino Nickel on mutually agreed terms which further cements the already very strong relationship between the companies. Panoramic believes that the location of the Savannah Project, and the unique characteristics of the concentrate (payable Ni, Cu and Co + low MgO and no penalty elements) make this ideal feed for Jinchuan's smelter. Panoramic also believes that the extension of the offtake for another 10 years helps to underpin the future of the Savannah Project.

Jinchuan Group Limited

Jinchuan is a Chinese state owned enterprise located in Jinchang City, Gansu Province, northwest China with total assets of US\$6,800 million. Jinchuan mines, smelts and refines nickel and copper sulphide ores and currently has an installed capacity of 150,000 tonnes per annum ("tpa") nickel, 400,000tpa copper, 10,000tpa cobalt and 8,000kg of precious metals. Jinchuan is China's largest nickel producer and is aiming to produce 120,000 tonnes of nickel metal in 2009.

Sino Mining International Corporation

Sino International is a resource investment and trading company controlled by China Minmetals Group. Sino International's business charter is to secure raw material supplies for the Chinese non-ferrous metals industry and take strategic investments in resource projects outside China. As at 31 October 2009, Sino International has total assets of US\$290 million. Sino International has a 30 year alumina supply agreement with Alcoa under which it ships 400,000tpa smelter grade alumina to China until July 2026. Sino International also owns the agency business, Sino Mining Trading, which facilitates raw materials trading into China.

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 FY2009 our operations produced a record 18,750t Ni contained (preliminary figure). The Company is forecasting to produce between 18,000 to 19,000 tonnes Ni contained in FY2010. 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.

For further information contact:

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Table 1: Savannah - Lower Zone - Mineral Resource (using 0.5% Ni cut-off) as at 30 June 2009

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	-	-	-	-	-	-	-
Total	3,395,000	1.48	0.83	0.07	50,120	28,210	2,380

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.

Figure 1: Three dimensional representation of the Savannah Mineral Resource

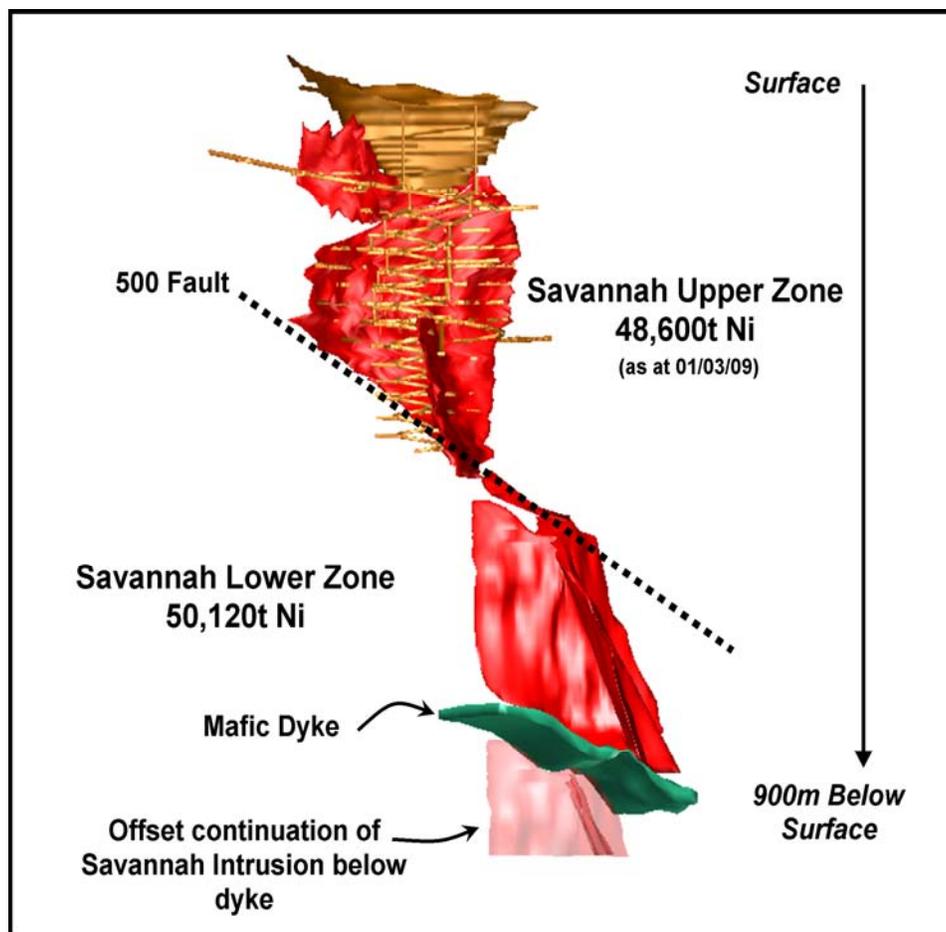


Table 2: Savannah - Lower Zone - Mineral Reserve (using 0.5% Ni cut-off) as at 30 June 2009

Category	Tonnes	Ni %	Cu %	Co %	Ni (t)	Cu (t)	Co (t)
Proven	-	-	-	-	-	-	-
Probable	2,161,000	1.26	0.61	0.06	27,200	13,200	1,400
Total	2,161,000	1.26	0.61	0.06	27,200	13,200	1,400

Notes:

1. The Ore Reserve is based on a Ni cut-off grade of 0.50%



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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.

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