



Vision, Commitment, Results

25 February 2010

ASX: PAN

NEWS RELEASE

DECEMBER 2009 HALF YEAR FINANCIAL RESULTS

- Net profit after tax of **\$23.1 million**, 15% higher than previous profit guidance
- Strong financial position with **cash and receivables of \$136 million**, and no bank debt
- Board declares a **fully franked 5 cents interim dividend**, plus a **fully franked 5 cents one-off special dividend**

Summary of Financial Results (A\$ million)	Dec Half 2009	Dec Half 2008	Dec Half 2007
Financials			
Total net revenue*	\$133.7	\$113.3	\$107.2
EBITDA	\$60.2	\$39.5	\$51.6
Profit before tax and impairment	\$32.3	\$12.3	\$33.8
Impairment before tax	-	(\$25.1)	-
Profit/(loss) before tax	\$32.3	(\$12.8)	\$33.8
Net profit/(loss) after tax	\$23.1	(\$8.6)	\$24.4
EPS (cents/share)	11.3c	(4.5)c	12.9c
Cash flow from operating activities before tax	\$63.1	\$20.7	\$23.8
Production			
Nickel (tonnes)	8,603	7,913**	5,773**
Copper (tonnes)	2,578	2,337***	2,174***
Cobalt (tonnes)	202	206	207

* Net of smelter/ concentrate treatment charges and profit/(losses) on commodity hedges

** Nickel in concentrate from Savannah and 75% share of nickel in ore from Lanfranchi

*** Copper in concentrate from Savannah and 75% share of copper in ore from Lanfranchi

HALF YEAR FINANCIAL RESULTS FOR PERIOD ENDING 31 DECEMBER 2009

Commentary

Panoramic is delighted to report an operating net profit after tax of \$23.1 million for the first half of FY2010, representing a substantial \$31.7 million turnaround from the \$8.6 million net loss after tax in the previous corresponding half year period. The half year earnings result benefited from:

- including 100% of nickel production from the Lanfranchi Nickel Mine, following the completion of the purchase of the remaining 25% equity interest in the project in May 2009;
- an improvement in the A\$ spot nickel price, which averaged A\$9.18/lb during the period;
- commodity derivative hedging gains; and
- the significant cost reduction and efficiency measures that were introduced across the Group in early 2009.

Importantly, cash flows from operating activities (before tax) were \$63.1 million, a 206% period-on-period increase. Since 30 June 2009, cash (including term deposits) and receivables have increased 41% to \$135.6 million, while trade creditors fell 9% to \$27.9 million.

The \$20 million net after tax profit guidance released on 3 February 2010, was made before booking:

- additional sales revenue (after tax) of \$1.2 million from the January 2010 quotational pricing (QP) review (on outstanding Lanfranchi deliveries),
- lower depreciation and amortisation charges (after tax) of \$1.1 million; and
- reduced income tax expense (\$0.8 million) from R&D tax concessional expenditure.

These adjustments lifted net after tax earnings by \$3.1 million to \$23.1 million, a 15% increase on the previous guidance.

It should be noted that the December 2008 half year result was adversely affected by the impact of the *global financial crisis* on revenue received for nickel, copper, and cobalt sales. At that time the outlook for commodity prices was poor, which resulted in the Board taking a prudent and conservative approach to the carrying values of the Company's mining assets, with write-downs totaling \$25.1 million (before tax).

In light of the Company's solid earnings result, very strong build-up in cash reserves, and positive signs of an improving global economy, the Board has declared a one-off fully franked special dividend of 5 cents per share, in addition to an interim, fully franked dividend of 5 cents per share. These dividend payments demonstrate the Company's continuing commitment to return value to shareholders. The details of the two dividends payments are as follows:

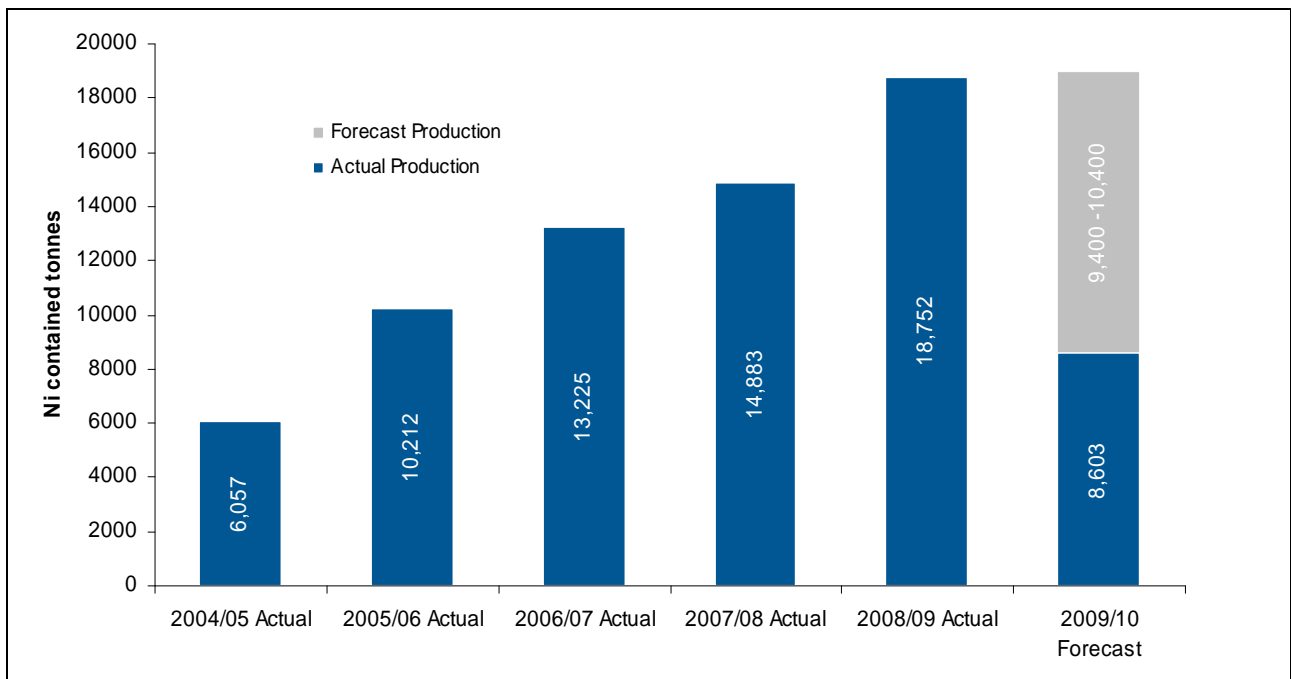
- Ex-Dividend Date – Thursday, 11 March 2010;
- Record Date – 5.00pm (WST) Wednesday, 17 March 2010;
- Payment Date – Friday, 26 March, 2010.

Production and Outlook

For the December 2009 half year, the Savannah Nickel Mine produced 51,035 tonnes of concentrate at an average nickel grade of 7.64% containing 3,897 tonnes of nickel, compared to the December 2008 half year production of 52,015 tonnes of concentrate at an average nickel grade of 7.69% containing 4,002 tonnes of nickel

The Lanfranchi Nickel Mine produced 177,756 tonnes of ore at an average nickel grade of 2.65% containing 4,706 tonnes of nickel in ore in the December 2009 half year, compared to December 2008 half year production of 196,698 tonnes of ore at an average nickel grade of 2.65% containing 5,214 tonnes of nickel in ore.

The production forecast for Panoramic's combined operations (Lanfranchi & Savannah) for FY2010 is expected to be in the range of 18,000 to 19,000 tonnes of nickel contained plus copper and cobalt credits, as previously forecast.



Notes:

1. Savannah production is based on Ni in concentrate
2. Lanfranchi production is based Ni in ore

About the Company

Panoramic Resources Limited (ABN:47 095 792 288) is an established Western Australian based nickel sulphide producer with two 100% owned underground mines, the Savannah Project in the Kimberley, and the Lanfranchi Project, 42kms south of Kambalda. In FY2009 our operations produced a record 18,752t Ni contained. The Company is forecasting to produce between 18,000 to 19,000 tonnes Ni contained in FY2010. Panoramic has significant exploration portfolios 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 exploration, the acquisition of projects and/or companies that would be complementary to its existing business, and which can benefit from the Company's commodity expertise, management, financial and technical capabilities and risk profile.

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