



Vision, Commitment, Results

29 March 2010

ASX: PAN

NEWS RELEASE

SAVANNAH CONCENTRATE OFFTAKE EXTENDED A FURTHER 10 YEARS

Panoramic Resources Limited (“**Panoramic**”) is delighted to announce that Sino Nickel Pty Ltd (“**Sino Nickel**”) and Panoramic have signed the Extended Concentrate Sales Agreement, which covers 100% of the concentrate from the Savannah Nickel Project, for a further 10 years from 1 April 2010.

Details of New 10 Year Concentrate Offtake

Directors of Savannah Nickel Mines Pty Ltd (a wholly owned subsidiary of Panoramic) signed the Extended Concentrate Sales Agreement with a representative of Sino Nickel, (a joint venture company owned 60% by Jinchuan Group Limited (“Jinchuan”) and 40% by Sino Mining International Limited (“Sino Mining”) at an official signing ceremony on Friday, 26 March 2010 in Jinchang City, China.

The terms of the Extended Concentrate Sales Agreement are similar to the terms of the original Concentrate Sales Agreement signed in 2003, and are considered by Panoramic to be very competitive in global terms. The Savannah concentrate will continue to be shipped from Wyndham to Jinchuan’s smelter/refinery in Gansu province, northwest China.

The general terms and conditions of the new agreement 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 new contract - from 1 April 2010 for a further 10 years

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.

Sino Mining International Limited

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



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Panoramic is delighted to have extended the offtake with Jinchuan/Sino Nickel on mutually agreed terms, which further cements the already 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. The extension of the offtake for another 10 years, together with the recently announced Lower Zone Reserve will underpin the future of the Project.

THE SAVANNAH PROJECT EXCEEDS EXPECTATIONS

The Savannah Nickel Project has exceeded the initial 2002 feasibility study assumptions in the following areas:

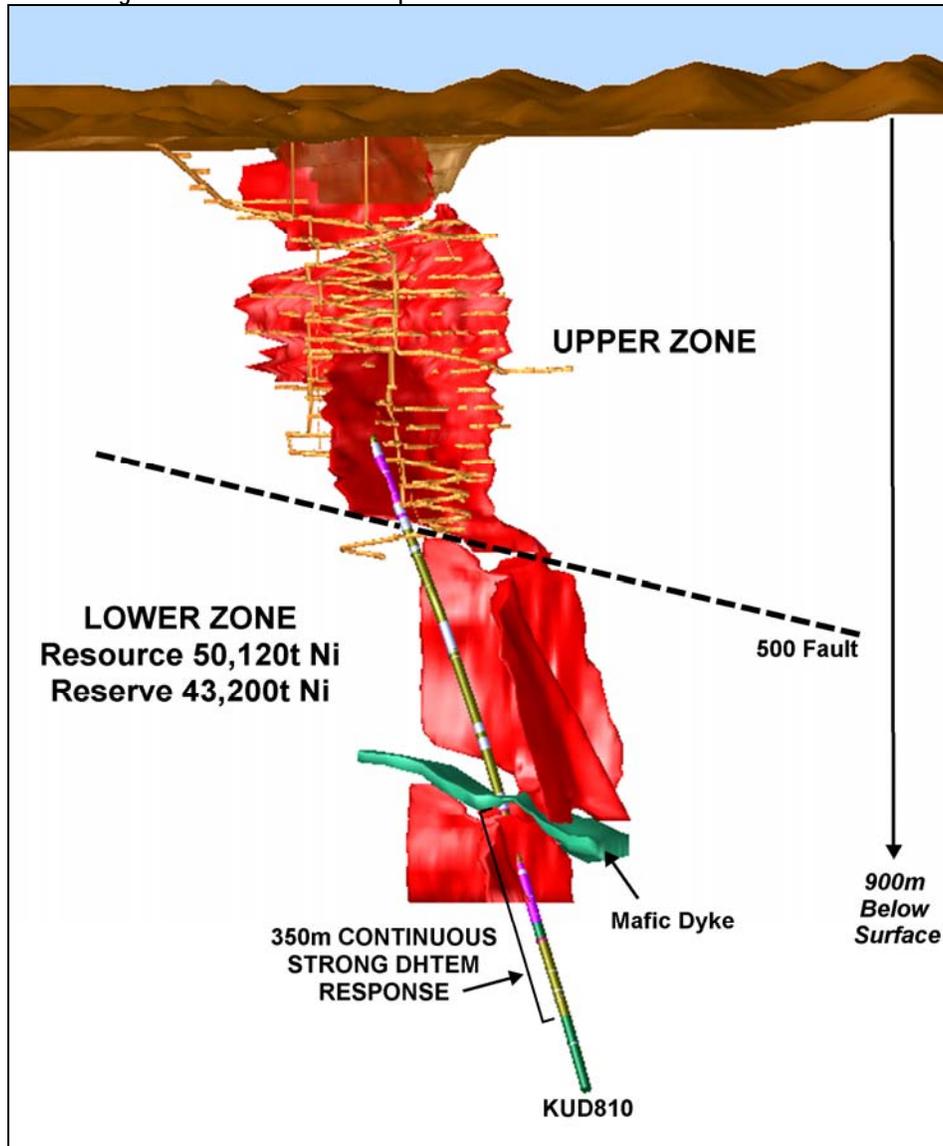
- **Extended mine life of the Upper Zone Resource (above the 500 Fault)** – the additional ore discovered at the margins of the orebody, together with the construction of the paste plant, has allowed the operation to extract a higher percentage of the Upper Zone Resource, such that the Upper Zone Ore Reserve, as at 31 December 2009, still holds 22,760t Ni contained (Table 1). Based on the most recent mine plan, Savannah will be mining the Upper Zone until at least mid 2012.
- **New Resource and Reserve below the 500 Fault** – following on from the exploration drilling below the 500 Fault, the Company reported a significant new resource of 50,120t Ni contained in the Lower Zone (Table 2), and recently released the new Lower Zone Reserve of 43,200t Ni contained (Table 3). The new Lower Zone Reserve incorporates 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 (Figure 1).
- **Strong EM conductor for 350m below Lower Zone Reserve** - During the Lower Zone Resource and Reserve diamond drilling program, several drill holes were extended down into the vicinity of the off-set block below the mafic dyke. The deepest of these holes (KUD810) was terminated 400m below the mafic dyke. Immediately below the dyke for a distance of 350m, hole KUD810 skimmed in and out of the Savannah Intrusion intersecting several zones of Savannah Style massive sulphide mineralisation. Over the same interval, KUD810 returned a strong, continuous Electro-Magnetic (EM) anomaly incorporating both on-hole and off-hole responses. The character and magnitude of the KUD810 EM response is equal to the best of the EM anomalies recorded in the vicinity of the Savannah deposit to date.
- **Mine Life extended past 2018** – The Savannah mine life is now expected to extend beyond 2018 (subject to favourable commodity prices and all necessary statutory approvals), based on an Upper Zone Reserve as at 31 December 2009 of 22,760t Ni contained, together with the Lower Zone Reserve of 43,200t Ni contained (also at 31 December 2009).
- **Improved metallurgical recoveries and by-product credits** – 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%. Significant improvements have also been made in cobalt recovery to levels around 90% compared to the feasibility study target of 70%. With copper recovery around 96%, the by-product credits from the Savannah concentrate are very significant and help to reduce the operation's payable unit cash costs.

FUTURE EXPLORATION ACTIVITIES PLANNED FOR THE SAVANNAH OREBODY

Additional drilling below the Lower Zone Resource is planned to test the strong EM response from KUD810 which indicates that the Savannah mineralisation could extend at least another 350-400 metres. In addition, in mine drill programs are planned to explore previously untested areas of the northern and eastern contact of the Savannah Intrusion both above and below the 500 Fault.



Figure 1: Three dimensional representation of the Savannah Mineral Resource



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, 42km 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. Panoramc 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. Panoramc is continuing to assess opportunities to grow the Company through exploration, the acquisitions 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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Appendix 1:

Table 1: Savannah – Upper Zone - Mineral Reserve as at 31 December 2009 (using 0.7% Ni grade cut-off)

Category	Tonnes	Ni %	Cu %	Co %	Ni (t)	Cu (t)	Co (t)
Proven	-	-	-	-	-	-	-
Probable	1,824,000	1.25	0.60	0.07	22,760	10,950	1,200
Total	1,824,000	1.25	0.60	0.07	22,760	10,950	1,200

Table 2: Savannah - Lower Zone - Mineral Resource (using 0.5% Ni grade 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.

Table 3: Savannah - Lower Zone - Mineral Reserve (using 1.05% Ni grade cut-off) as at 31 December 2009

Category	Tonnes	Ni %	Cu %	Co %	Ni (t)	Cu (t)	Co (t)
Proven	-	-	-	-	-	-	-
Probable	3,670,000	1.17	0.64	0.06	43,200	23,500	2,160
Total	3,670,000	1.17	0.64	0.06	43,200	23,500	2,160

Notes:

1. Panoramic undertook mine planning, scheduling, costing and economic evaluation to calculate the Reserve.
2. Production from this zone is still subject to various statutory approvals.

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 are 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 Lilong Chen. Mr Chen is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and 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.