

vision, commitment, results

PANORAMIC
RESOURCES LTD



Highlights **09/10**

The 10 Year Plan

- Improve our safety culture so every employee believes that safety is our most important value in line with our safety mantra: Vision, Commitment, Results
- Optimise our metal production to maximise our margins
- Grow the existing resource and reserve base to extend the mine life of our operations
- Maintain dividend payments
- Acquire additional assets to become a diversified mining house and an S&P/ASX Top 100 Company





Significant Events

- Continued improvements in safety culture and outcomes
- Production on an equity basis of 17,458 tonnes contained nickel, 4,900 tonnes contained copper and 387 tonnes contained cobalt
- Offtake agreement extended with Jinchuan for 100% of Savannah output for another 10 years
- Maiden Savannah Project Lower Zone Reserve of 43,200 tonnes contained nickel
- Net profit after tax of \$56.2 million, our second highest on record
- Cash flow of \$131.8 million from operations before tax
- Total dividend payout of 16.5 cents per share, fully franked
- Effective hedging program delivers revenue contribution of \$34.1 million
- Strong cash position & receivables of \$158.3 million
- New joint ventures signed to explore for base metals in Scandinavia and gold in Alaska

Chairman's Report

Dear Shareholders,

Thankfully, 2010 was a much better year than 2009 in all aspects. The nickel price traded within the US\$8-12/lb range and at these levels Panoramic has been able to operate profitably, thanks largely to the efforts of management and staff in optimising ore production, while at the same time keeping a close eye on costs. As the graph shows, our share price has maintained its relationship with the nickel price. The profitability of the Company has enabled us to return to a higher level of dividend payout, which rewards shareholders for their continued support.

The nickel market has been interesting this year. There is no doubt that demand from China has dominated and now represents 40% of world nickel consumption, with Asia representing 54% of the world total. The use of nickel pig iron in China remains buoyant and existing facilities are being upgraded to reduce pollution. It is now estimated that nickel pig iron produced from laterite ores from the Philippines and Indonesia exceeds 170,000 tonnes per annum of contained nickel, or more than 35% of Chinese nickel consumption. How long the Philippines and Indonesia will continue to allow low grade ores to be exported as a raw material at extremely low prices must be a serious concern for the processors in China.

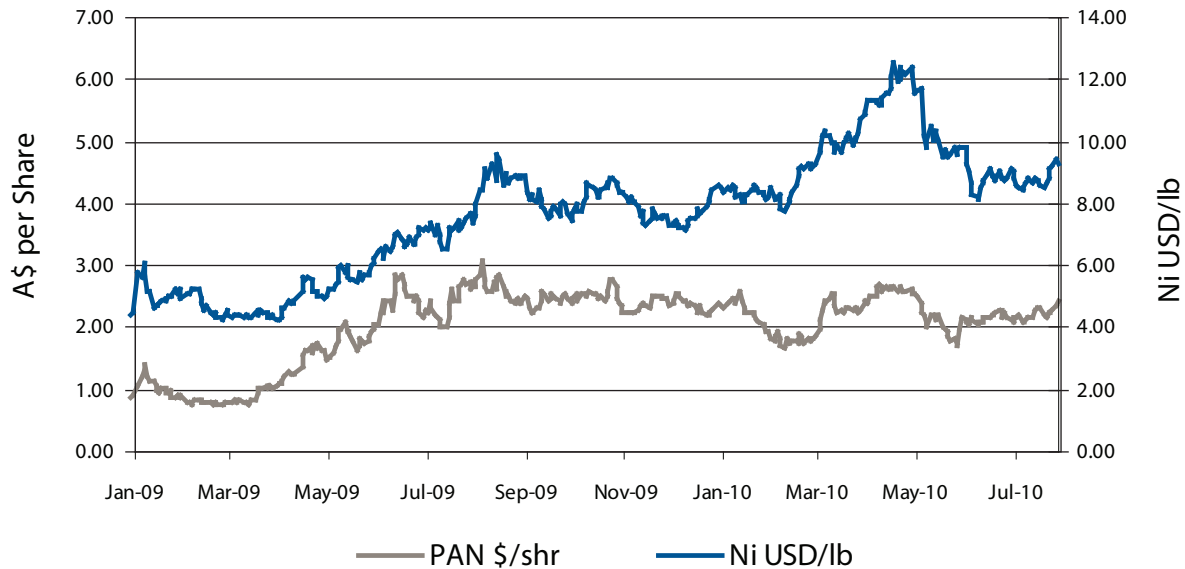
There is a definite effort on the part of some Chinese steel makers to switch from producing the high nickel containing "300 Series" grades of stainless steels to the lower nickel containing "200 Series".

However, the properties of the lower nickel 200 Series do not meet the strict performance requirements of the 300 Series stainless steel, and it is still hard to determine what impact the move to lower nickel products will have on the overall demand for nickel.

It is encouraging to note that the reduction in nickel supply post the GFC more than matched the reduction in demand. With more positive signs on metal demand emerging this year, we have seen a continued drawdown in nickel stocks and while there are a number of new projects slated to come on stream in the next 12 months, it is predicted that nickel demand will outstrip supply for at least the next two years.

In view of the Company's strong cash position, management has been seeking opportunities to grow through the acquisition of

PAN Share Price v USD Nickel Price



projects or companies. The purchase of Brilliant Mining's 25% share of the Lanfranchi Project has enabled the Company to benefit from improved prices and reduce the cost of managing a complex joint venture. The Company is also actively looking to acquire other resource projects and to broaden our commodity exposure outside nickel. As part of this program, we have been supporting various companies by sharing in their exploration projects both in Australia and overseas. The Company has also made some direct investments in other companies where we see opportunities to make an attractive return on our strategic investments. We will continue to seek growth through exploration both on ground we control and by farming in on ground controlled by other companies.

We are maintaining our ambition to gain exposure to other minerals with the primary objective of acquiring nickel, copper and/or gold/PGM projects both in Australia and offshore. We are also prepared to consider other base metals and the more exotic materials. Your Board has considered many possible acquisitions over the past few years to grow the Company, but has yet to find any significant acquisitions which meet our objectives in terms of asset quality, purchase price, return on investment and our other investment criteria.

During the year the Board, along with our peers, was shocked by the move from the Labor Government to impose extremely high taxes on the mining industry. We are vehemently opposed to the concept of additional taxes on the mining industry and supported the industry bodies in fighting the new tax. There now has to be a significant effort by the industry to educate and inform the public about the importance of the mining industry to the Australian economy. We must educate the public on the risks and costs involved in finding, developing and operating resource extraction projects. Exploration is an expensive and inexact science. The search for resources no longer depends on stumbling on a gossan then developing it by digging a hole which is left to future generations to remediate. Today, the mining industry has to meet stringent conditions before exploring. If in the unlikely event a resource is

discovered, we must then meet arduous development conditions before commencing operations, and then build the infrastructure. On completion of mining, the company is then required to undertake substantial rehabilitation, the estimated cost of which is covered by a bond before development is allowed to proceed. The poor understanding of the importance of the mining industry to the Australian economy and our environmental record by the general public, needs to be addressed so poor policy is not forced upon us again by naive government.

In closing, I would like to mention that the Board maintains a policy of visiting each operation once or twice a year. We are extremely impressed at the efforts made to ensure safety is the No.1 value at the operations. Thankfully, the results of these efforts have been demonstrated by an improved safety culture. The management and work force are to be complimented on the morale and team spirit which exists at both of our mines. In casual conversation with the operators and staff, one cannot help but be impressed with the way all employed at the operations are supportive of management and enjoy their work and conditions. It is a great compliment to Peter and his senior staff that such morale exists at our operations and in the Perth office. In a large way, this ensures that everyone is participating in a team effort to provide good results for the benefit of all shareholders.



Christopher J G de Guingand

Chairman
20 September 2010



Report Managing Director's

Dear Shareholders,

I am delighted to report that we have had a good year at Panoramic. We made the hard decisions in late 2008 to aggressively cut costs, optimise production and ensure our operations were profitable at lower commodity prices. While these were tough decisions, they were necessary to ensure our business survived the economic downturn. Fortunately, there has been a quicker and stronger recovery in commodity demand than most people expected and this, combined with another year of solid production from both sites, has resulted in us reporting a strong after tax profit of \$56.2 million, our second highest on record.

Key milestones achieved during the year were as follows:

- continual improvement in safety culture and safety performance across both sites;
- group production of 17,458 tonnes contained nickel;
- maiden ore reserve for the Savannah Lower Zone of 43,200 tonnes contained nickel, 23,500 tonnes contained copper and 2,200 tonnes contained cobalt;
- new exploration joint ventures looking for base metals in Scandinavia and gold in Alaska;
- extension of the offtake agreement for Savannah concentrate with Jinchuan for a further 10 years;
- revenue of \$287.8 million, a 26% increase on last year;
- net cash flow of \$131.8 million, which included a \$34.1 million contribution from our hedging activities;
- earnings before interest and tax, depreciation and amortisation of \$123.8 million;
- cash and receivables increased 68% to \$158.3 million;
- total assets grow to \$416.8 million; and
- 16.5 cents per share in fully franked dividends, representing a 60% pay-out ratio.

We continue to work hard on improving our safety performance. However, we are still having the occasional Lost Time Injury which is unacceptable. We will continue to remain focused on all facets of safety in our business going forward to improve our performance in accordance with our safety mission statement:

Vision	safety is a value not just a priority
Commitment	safety improvement through leadership
Results	safely home every day

On the production front, both operations again performed well. Savannah mined and milled over 670,000 tonnes of ore at a grade of 1.25% nickel and produced 7,273 tonnes contained nickel at a recovery of 86.3%. Lanfranchi mined 398,920 tonnes of ore at an average grade of 2.54% nickel for 10,122 tonnes contained nickel.

The Copernicus open pit remains on care and maintenance, however it could be re-started at relatively short notice, subject to sufficient tailings capacity and a nickel price that gives the project an acceptable economic return.

Going forward, the outlook for the Company remains extremely bright. On the production side, we are forecasting another solid year with nickel production in the 18,000-19,000 tonne range. On the exploration front, we will embark on our largest ever exploration expenditure program, budgeted at around \$12 million, as we focus on adding to our resource and reserve base by:

- drill testing the strong EM response below the 900m level at Savannah to test depth extensions of the orebody;
- continuing to drill test around the Savannah Intrusion;
- undertaking a major EM survey of the gravity anomalies identified on the East Kimberley Joint Venture (EKJV) tenements;
- drilling down plunge of the Deacon, Helmut South, Schmitz, and Lanfranchi orebodies;
- continuing to drill test the Northern Dome structure at Lanfranchi for massive sulphide mineralisation;
- further drilling on the Cowan tenements and drill testing of the EM targets on the Norrland JV tenements in Sweden;
- testing the remaining two coincident magnetic/gravity anomalies on the Bluebush JV tenement in the Northern Territory;
- drilling at the Tushtena JV Gold Project in Alaska chasing high grade gold orebodies; and
- supporting Drake Resources in our strategic alliance for base and precious metals in Scandinavia.

On the acquisition front, we are well placed to make acquisitions with over \$100 million in cash and good access to capital markets for the right projects. We will continue to assess opportunities to grow the business through quality acquisitions of projects and/or

companies that would be complementary to the existing business, and to utilise management's experience and expertise. The primary focus is nickel, copper, and gold, and the preference is to buy assets at pre-feasibility stage through to operating mines. The Company is also interested in opportunities in other base metals, PGMs and selected bulk commodities. While Australia remains the preferred location, the Company is actively pursuing opportunities in selected overseas countries which have mining friendly regulatory regimes and established infrastructure.

Part of the Company's business development strategy is to take small and strategic equity positions when the opportunity arises. The Company will either look to exit these investments at the right time, or develop long-term relationships with companies seeking additional funding and/or technical expertise in order to bring projects into production.

The Board remains cautiously optimistic in relation to the short term outlook for the world economy, commodity prices and in particular nickel, however expects there to be continued volatility. The Company will continue to actively manage its exposure to commodity prices, diesel price and the US\$/A\$ exchange rate through its hedging program, and take opportunities when they arise to protect margins and optimise revenue. Longer term, the outlook for commodities remains very positive and we are committed to growing the Company in accordance with our 10 Year Plan:

- improve our safety culture so every employee believes that safety is our most important value in line with our safety mantra: Vision, Commitment, Results;
- optimise our metal production to maximise our margins;
- grow the existing resource and reserve base to extend the mine life of our operations;
- maintain dividend payments; and
- acquire additional assets to become a diversified mining house and an S&P/ASX Top 100 Company.

A great deal of the success of our Company is due to the workforce, and I would like to personally thank the Board, all employees and contractors for their hard work and dedication. I would also like to thank all our shareholders, other stakeholders and our two customers, the Jinchuan Group and BHP Billiton Nickel West, for their ongoing support.

As always, I urge all our staff and contractors to adopt and embrace our safety mission statement to ensure we get everybody "home safely every day".

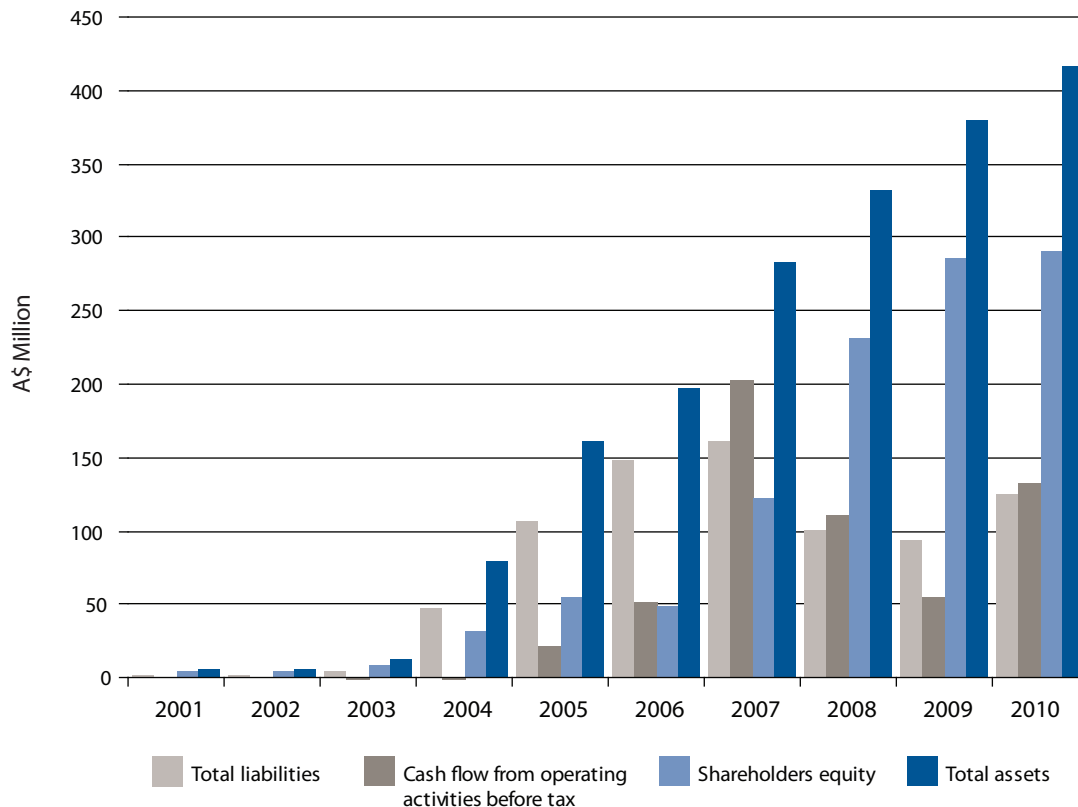


Peter Harold
Managing Director
20 September 2010

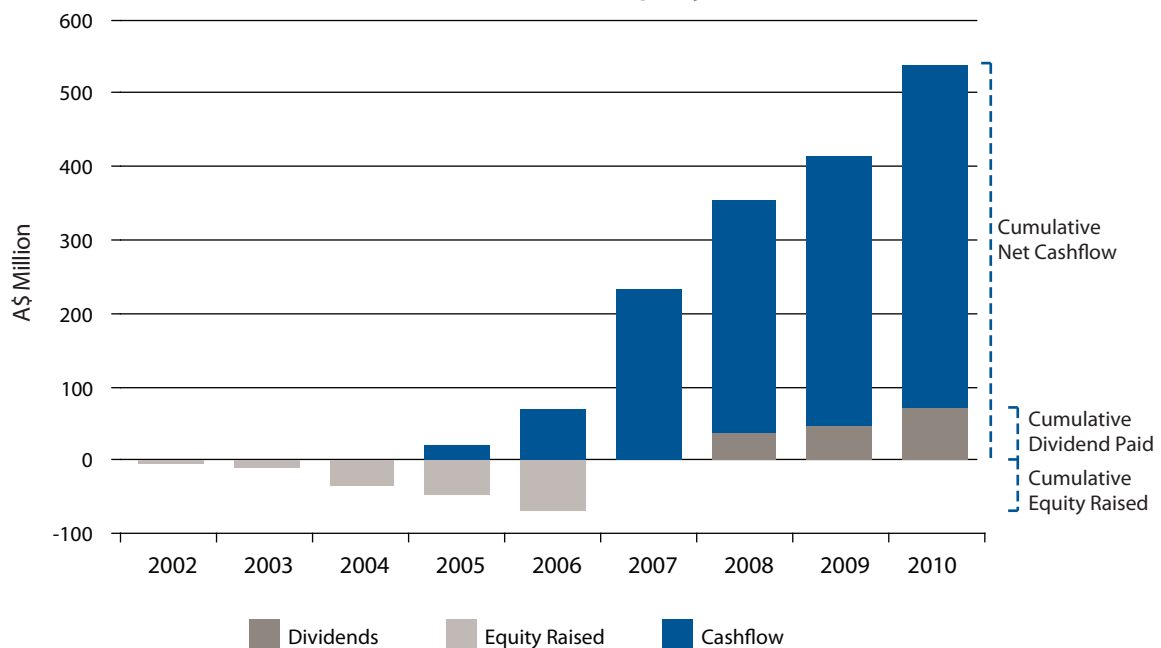
Financial Highlights

- Revenue of \$287.8 million
- Cash and receivables of \$158.3 million
- Net profit after tax of \$56.2 million, a 900% increase on 2008/09 result, and earnings per share of 27.5 cents
- Total dividend of 16.5 cents per share (fully franked), a 60% payout ratio to after tax earnings
- Hedging contributes \$34.1 million to pre-tax earnings
- Net assets of \$291.1 million

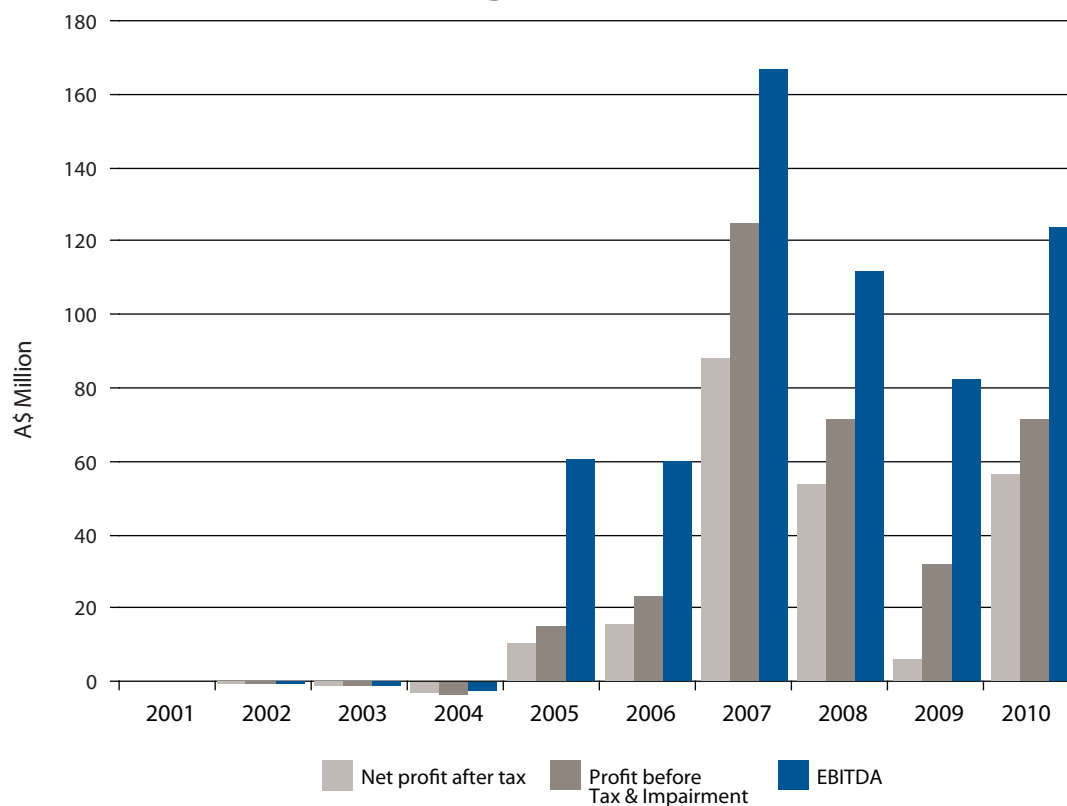
Shareholders Equity & Total Assets Growing



Dividends Paid > Equity Raised



Second Highest Profit On Record



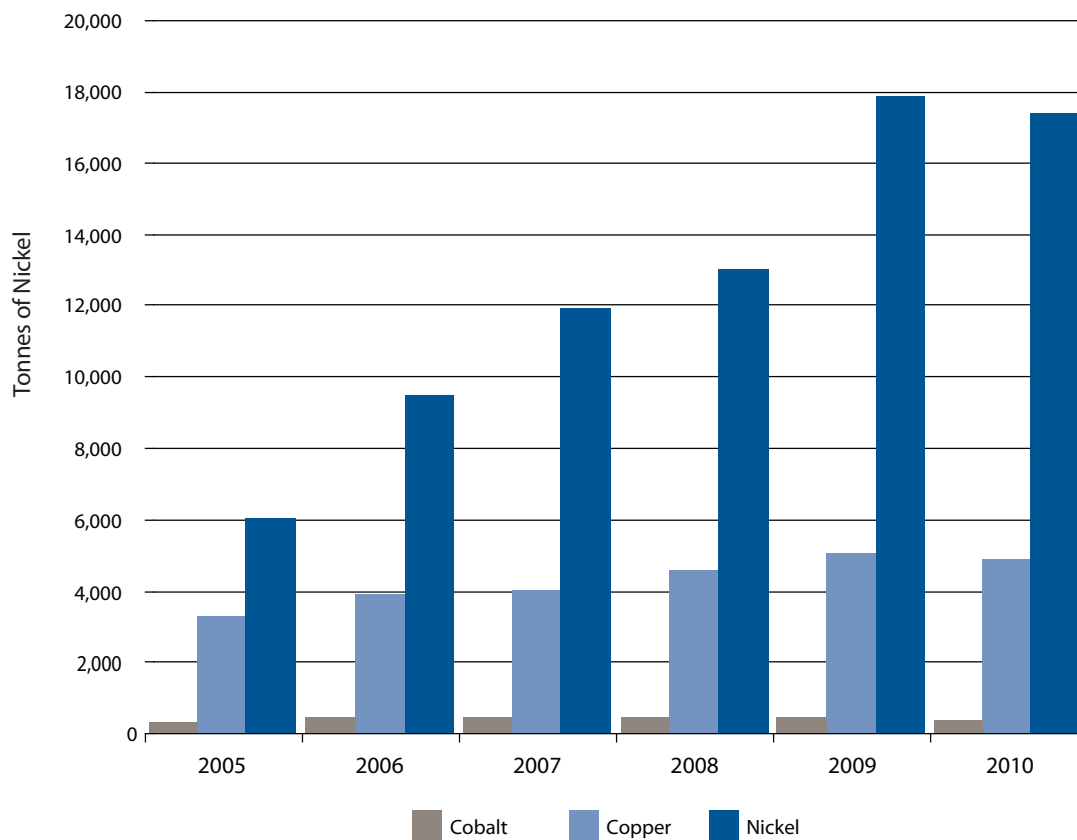
Summary Of Key Financials 2001-2010

Financial Years	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Net Revenue (inc. interest)			0.4	0.7	83.8	134.1	302.2	238.4	228.7	287.8
EBITDA (before impairment)		-0.6	-0.9	-2.0	60.2	59.6	166.5	111.8	82.2	123.8
D&A					39.7	36.5	41.9	40.4	49.5	52.7
Profit before Tax and impairment		-0.6	-1.3	-3.1	14.8	23.1	124.6	71.4	31.7	71.1
Profit after Tax and before impairment		-0.6	-1.3	-2.7	10.3	15.9	88.1	53.3	24.0	51.2
Net profit after Tax		-0.6	-1.3	-2.7	10.3	15.9	88.1	53.3	5.6	56.2
Cash Flow from operating activities (before tax)		-0.3	-1.0	-1.6	21.9	51.3	203.3	111.3	54.8	131.8
Net Cash Flows used in investing activities*		0.1	0.4	45.8	39.1	35.6	33.7	55.6	56.8	38.0
Exploration and evaluation expenditure		5.0	1.2	1.1	0.8	1.6	6.9	6.1	3.1	8.8
Cash (inc. term deposits)		0.2	4.3	9.0	15.3	30.6	119.6	110.9	67.2	137.4
Total Assets	5.5	5.5	13.6	79.1	161.2	196.9	283.6	332.1	380.3	416.8
Borrowings		0.7	2.8	38.5	59.2	48.1	13.1	8.4	6.5	4.7
Total Liabilities	1.1	1.1	4.1	47.8	107.0	148.0	161.8	100.4	94.0	125.7
Shareholders equity	4.4	4.4	9.5	31.3	54.2	48.9	121.8	231.7	286.3	291.1
Return on equity (%)		-11%	-13%	-7%	25%	27%	125%	71%	6%	55%
Basic Earnings per share (cents)	-1.2	-1.2	-1.9	-2.2	6.5	9.6	47.6	28.4	2.9	27.5
Dividend declared per share (cents)							12.0	12.0	3.0	16.5
Dividends Paid (\$M)								36.1	11.5	33.9
Dividend pay-out ratio (%)							25%	42%	103%	60%

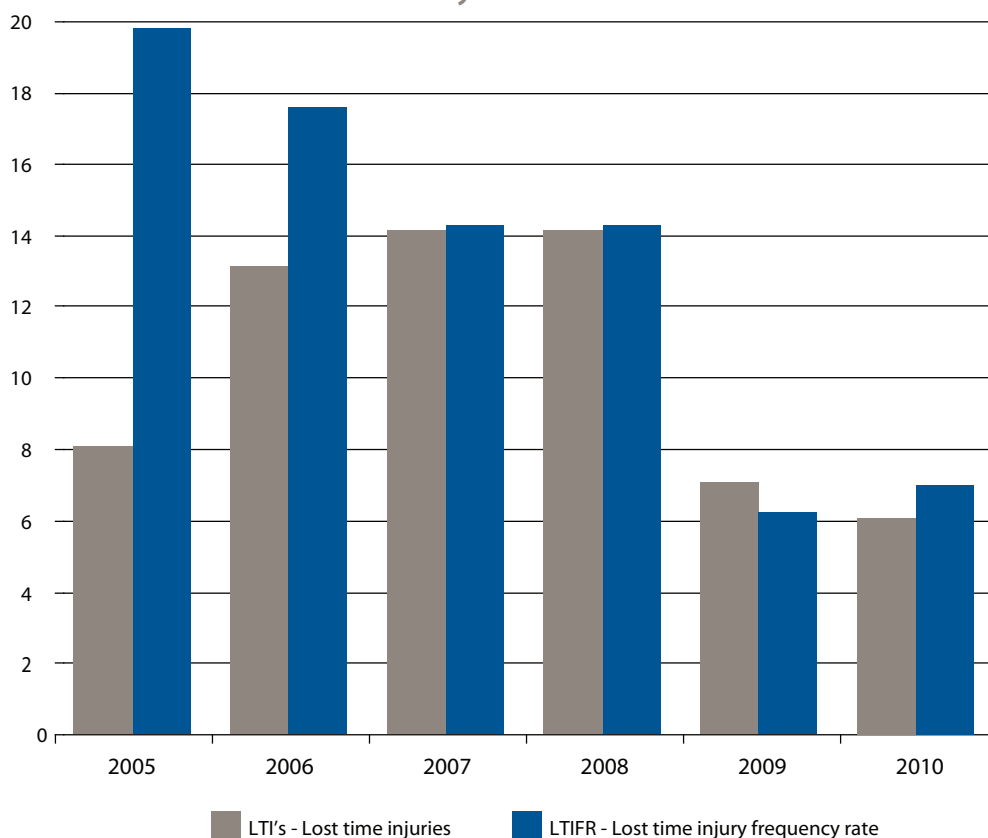
* Excluding exploration and evaluation expenditure.

Production & Safety Highlights

Metal Production (Equity Basis)

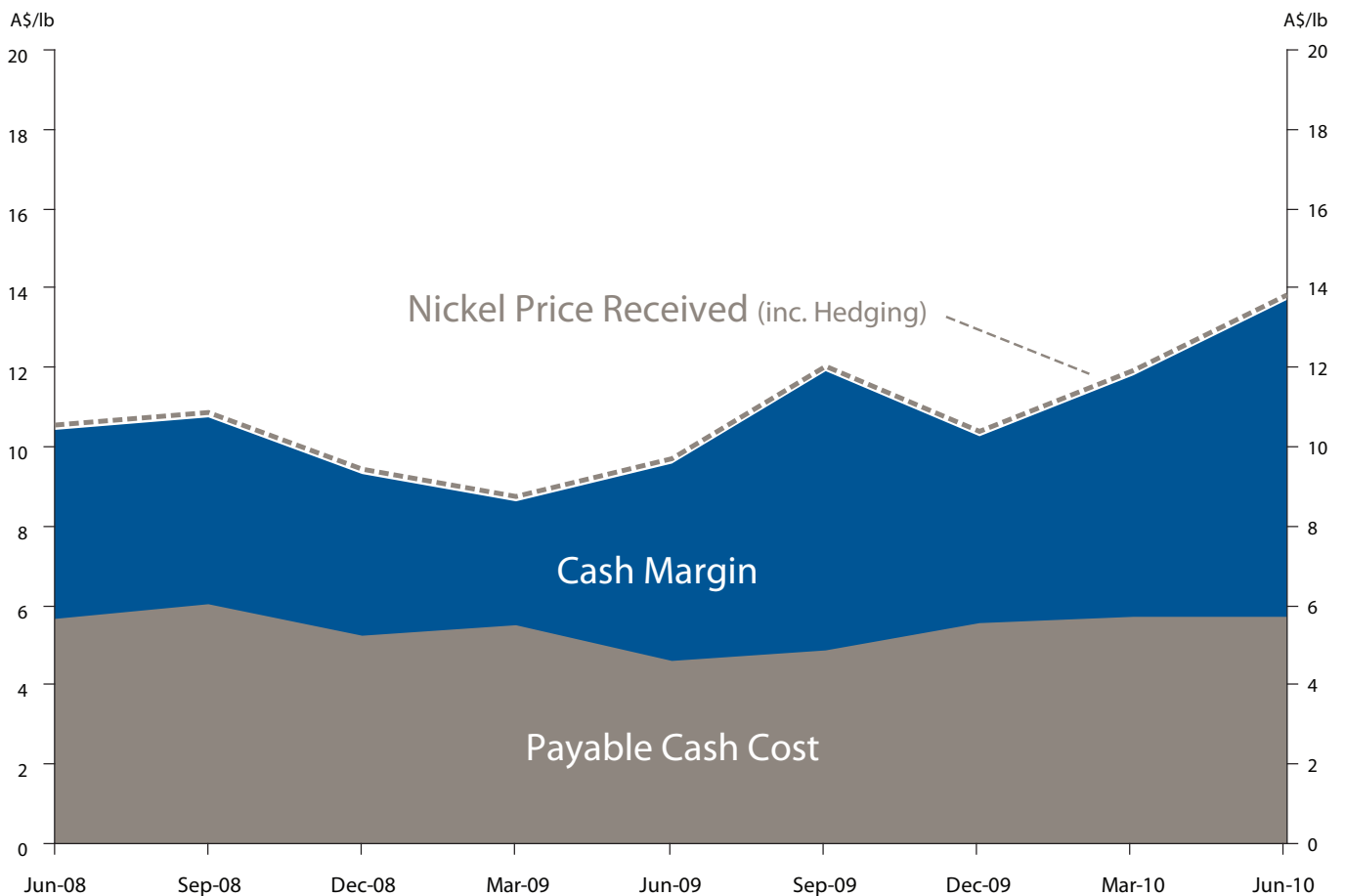


Safety Statistics



- The LTIFR has decreased from 19.7 in 2005 to 6.9 in 2010
- Group metal production (equity basis) of 17,458 tonnes contained nickel, 4,900 tonnes contained copper and 387 tonnes contained cobalt
- Mining rates at Deacon ramped up to full production of 30,000 - 40,000 tonnes per month
- Group average payable nickel cash costs of A\$5.46/lb, reflecting a tight control on operating costs

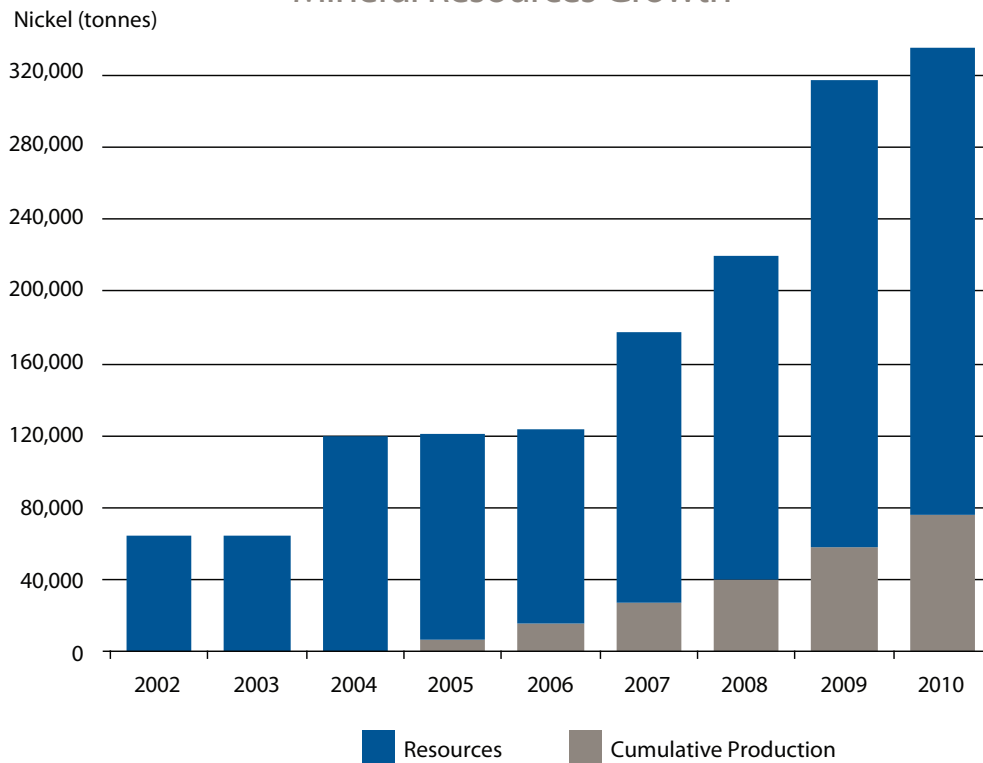
Group Payable Cash Cost & Margin



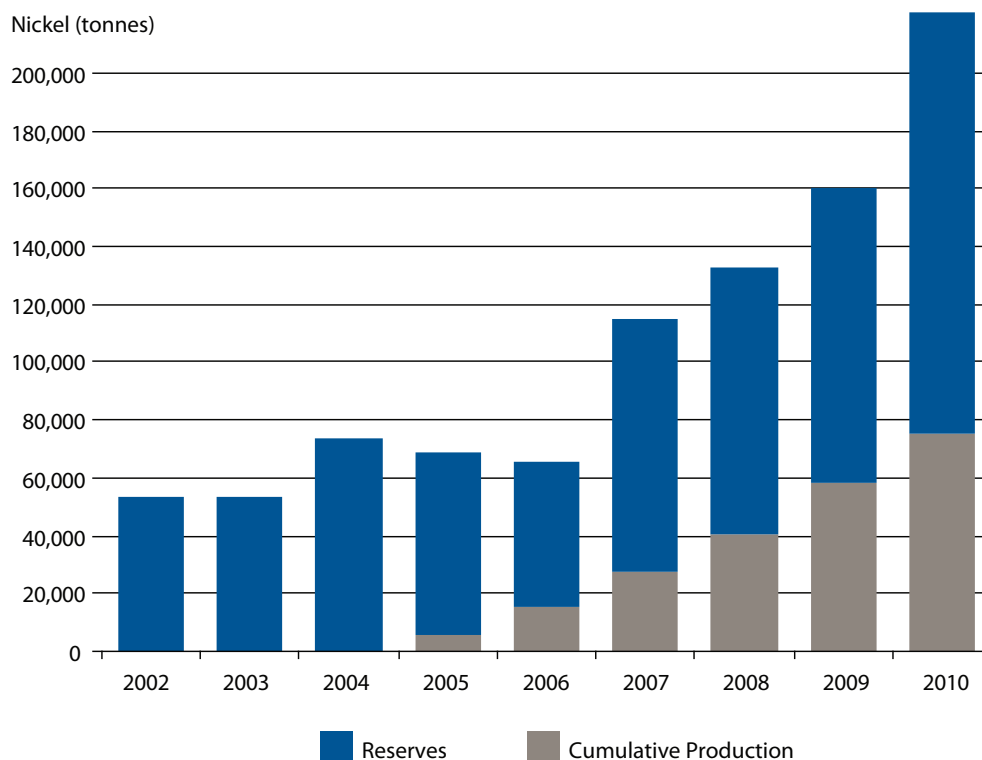
Resource & Reserve Highlights

- Maiden Savannah Project Lower Zone Ore Reserve of 43,200 tonnes contained nickel
- Total Savannah Ore Reserve now stands at 63,400 tonnes contained nickel
- Group Mineral Resources of 230,000 tonnes contained nickel
- Group Ore Reserves of 120,000 tonnes contained nickel

Mineral Resources Growth



Ore Reserves Growth



Mineral Resources (equity basis)

Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal Tonnes
				Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Savannah Project	100%											
Savannah		Nickel	Jul-10	1,769,000	1.59	3,643,000	1.51	-	-	5,412,000	1.54	83,100
		Copper			0.77		0.78		-		0.78	42,000
		Cobalt			0.08		0.08		-		0.08	4,300
Copernicus Project	60%											
		Nickel	Jul-10	233,000	1.08	240,000	1.38	14,000	1.01	487,000	1.23	6,000
		Copper			0.66		0.99		0.70		0.82	4,000
		Cobalt			0.04		0.05		0.03		0.04	200
Lanfranchi Project	100%	Nickel										
Cruikshank			Jul-10	-	-	-	-	2,165,000	1.23	2,165,000	1.23	26,600
Deacon			Jul-10	1,438,000	2.97	502,000	2.63	-	-	1,940,000	2.88	55,900
Gigantus			Jul-10	-	-	-	-	999,000	1.34	999,000	1.34	13,400
Helmut South			Jul-10	96,000	2.73	-	-	-	-	96,000	2.73	2,600
John			Jul-10	-	-	-	-	606,000	1.08	606,000	1.08	6,500
Lanfranchi			Jul-10	4,000	4.35	66,000	5.82	11,000	5.24	80,000	5.67	4,500
Martin			Jul-10	-	-	44,000	3.88	6,000	3.50	50,000	3.83	1,900
McComish			Jul-10	-	-	-	-	1,012,000	1.47	1,012,000	1.47	14,900
Schmitz			Jul-10	24,000	4.75	55,000	4.72	0	3.68	79,000	4.73	3,700
Winner			Jul-10	-	-	14,000	4.40	-	-	14,000	4.40	600
Remnants			Jul-10	-	-	253,000	2.69	203,000	2.03	456,000	2.40	10,900
Total (Equity)		Nickel		3,564,000	2.17	4,815,000	1.81	5,016,000	1.33	13,395,000	1.72	230,800
		Copper		2,002,000	0.76	3,883,000	0.79	14,000	0.70	5,899,000	0.78	46,000
		Cobalt		2,002,000	0.08	3,883,000	0.08	14,000	0.03	5,899,000	0.08	4,500

Ore Reserves (equity basis)

Reserve	Equity	Metal	Date of Reserve	Proven		Probable		Total		Metal Tonnes
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah Project	100%									
Upper Zone		Nickel	Jul-10	-	-	1,607,000	1.26	1,607,000	1.26	20,200
		Copper			-		0.61		0.61	9,800
		Cobalt			-		0.06		0.06	1,000
Lower Zone		Nickel	Jul-10	-	-	3,694,000	1.17	3,694,000	1.17	43,200
		Copper			-		0.64		0.64	23,500
		Cobalt			-		0.06		0.06	2,200
Copernicus Project	60%									
		Nickel	Jul-10	-	-	219,000	1.03	219,000	1.03	2,300
		Copper			-		0.63		0.63	1,400
		Cobalt			-		0.04		0.04	100
Lanfranchi Project	100%									
Deacon		Nickel	Jul-10	-	-	2,041,000	2.42	2,041,000	2.42	49,300
Helmut South		Nickel	Jul-10	28,000	1.94	-	-	28,000	1.94	500
Lanfranchi		Nickel	Jul-10	-	-	92,000	3.11	92,000	3.11	2,900
Schmitz		Nickel	Jul-10	-	-	86,000	2.66	86,000	2.66	2,300
Total (Equity)		Nickel		28,000	1.94	7,740,000	1.55	7,767,000	1.55	120,700
		Copper		-	-	5,520,000	0.63	5,520,000	0.63	34,700
		Cobalt		-	-	5,520,000	0.06	5,520,000	0.06	3,300

- Savannah Project Resource cutoff grades at 0.50% Ni
- Lanfranchi Project Resource cutoff grades at 1.00% Ni
- All resources are inclusive of reserves
- Savannah Upper Zone Reserve cutoff grade is 0.70% Ni
- Savannah Upper Zone Reserve cutoff grade is 1.05% Ni eq

- Copernicus Reserve cutoff grade is 0.50% Ni
- Lanfranchi Project Reserve cutoff grade is 1.00% Ni except the Deacon Longhole stopes which are 0.80% Ni
- Figures have been rounded and hence may not add up to the given totals

Panoramic Board



Brian M Phillips
Non-Executive Director

Trevor R Eton
Company Secretary

Peter J Harold
Managing Director



John Rowe
Non-Executive Director

Christopher D J Langdon
Non-Executive Director

Christopher J G de Guingand
Non-Executive Chairman



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