

vision  
commitment  
results



17 December 2010

ASX: PAN

## More High-Grade Nickel Intersections at Helmut South & Exploration Update

### Summary

Panoramic Resources Limited (“**Panoramic**”) is pleased to announce further high-grade intersections at Helmut South together with an update of other exploration activities and plans for the next six months.

### Highlights from Helmut South

The Helmut South Extension drilling continues to deliver excellent results. Most recent intersections include:

- **HS604 – 7.30m @ 7.44% Ni**
- **HS621 – 9.18m @ 3.37% Ni**  
including **3.16m @ 7.66% Ni**
- **HS622 – 1.57m @ 5.98% Ni**
- **HS623 – 3.30m @ 2.54% Ni**

### Update on Exploration Projects

Panoramic’s exploration activities in the vicinity of our operations are focused on:

- **Lanfranchi Nickel Project**
  - Helmut South Extension
  - Lanfranchi/Lanfranchi West Extension
  - Deacon Extension
  - Schmitz Channel Extension
  - Cruickshank– targeting a new mine development
- **Savannah Nickel Project**
  - Savannah Lower Zone Extension Drilling

- Near Mine EM anomalies
- East Kimberley JV EM targets

### Lanfranchi Nickel Project

Over the last three months mining activities have been undertaken to establish new drill positions to enable further testing of the Helmut South, Deacon, Schmitz and Lanfranchi channel extensions.

#### Helmut South Extension

Since the discovery of the new zone of high-grade nickel sulphide mineralization, follow-up drilling has continued to define the extent of the channel (Figure 1). Drilling has intersected both massive and disseminated nickel sulphide mineralisation with the latest results highlighted in Table 1.

*Table 1: Drill hole intersections – new results highlighted*

Drill hole	Section (mN)	Interval (m)	Ni %
TD5938W3	513726	0.75	4.70
HS298	513680	2.10	3.64
HS617	513660	6.47	4.65
Including		3.16	7.66
<b>HS621</b>	<b>513620</b>	<b>9.18</b>	<b>3.37</b>
Including		2.13	7.43
<b>HS622</b>	<b>513620</b>	<b>1.57</b>	<b>5.98</b>
<b>HS623</b>	<b>513620</b>	<b>3.26</b>	<b>2.45</b>
HS593	513560	8.60	6.51
HS602	513550	10.3	1.22
<b>HS604</b>	<b>513540</b>	<b>7.30</b>	<b>7.44</b>
HS598	513520	5.15	6.07

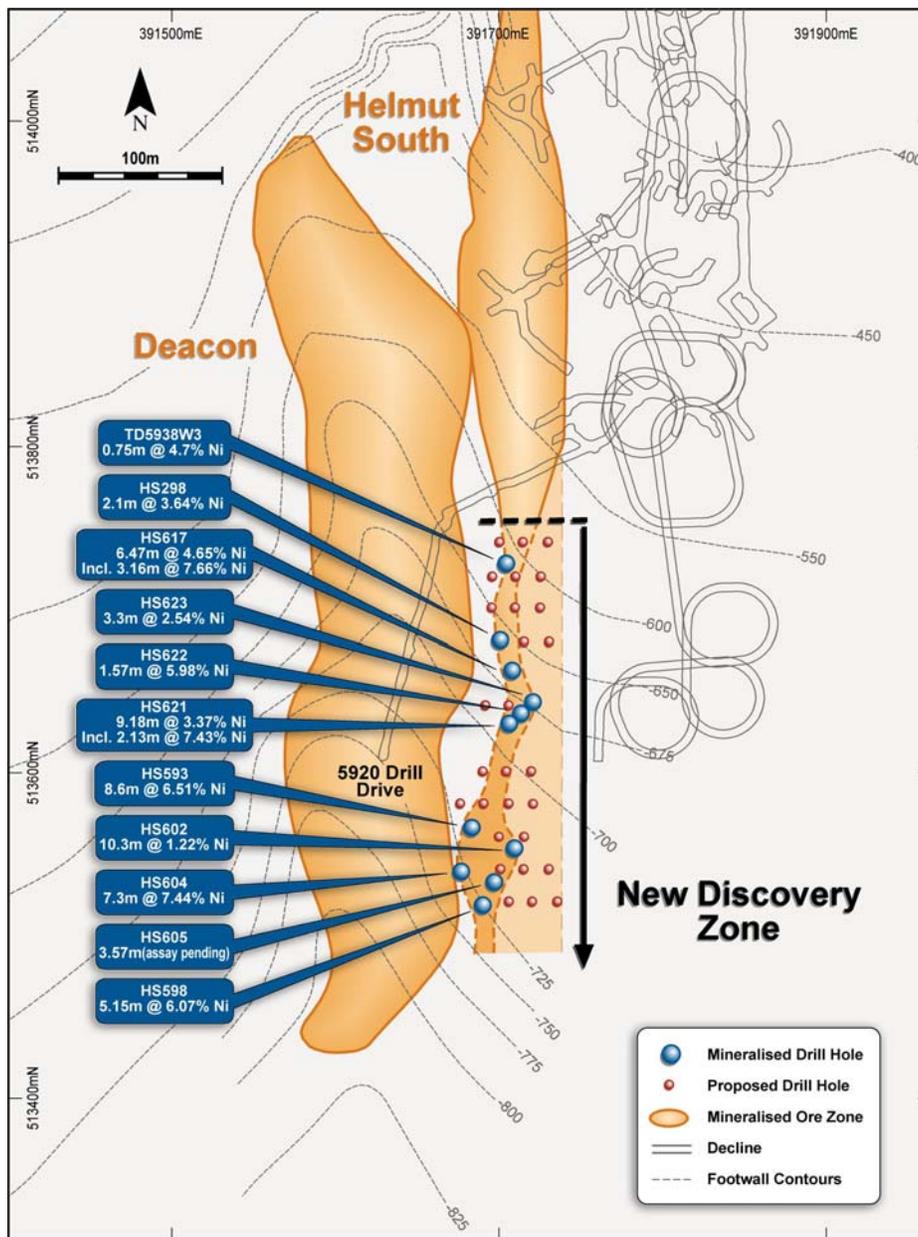


Figure 1: Helmut South Ext drilling plan

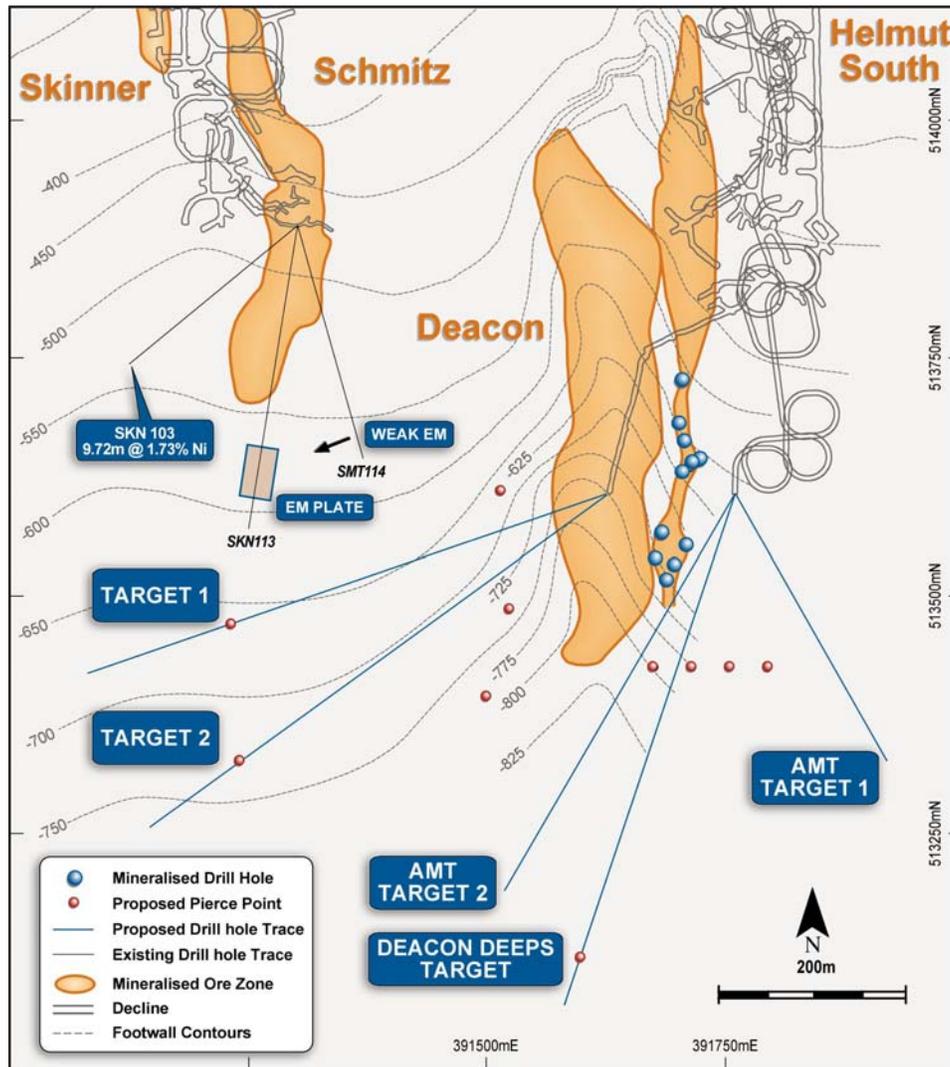
### Schmitz/Deacon Channel Extension

Drilling is planned to commence in the first quarter of 2011 down plunge from both Deacon and Schmitz. These holes are designed to test whether significant conductors exist 100-300m down plunge of the known mineralisation in each channel (Figure 2 -Target 1,2 & Deacon Deeps) using downhole EM.

Recent holes SKN103, SKN113 and SKN114 have returned either mineralised intercepts or EM plates, indicating the potential for an extension of the Schmitz channel sulphide mineralisation (Figure 2).

A traverse of holes is also planned below the base of the Deacon resource and the Helmut South mineralisation to map the geology and to test for sulphide mineralisation. The position of the decline development for Deacon has created a drilling platform to test Audio Magnetic Targets (AMT), which are interpreted to be off the eastern and western flank of the Deacon/Helmut South channel (Figure 2 - AMT Target 1 & 2).

It is planned to develop new hanging wall platforms to test the extensions to both Schmitz and Deacon following the EM drilling.



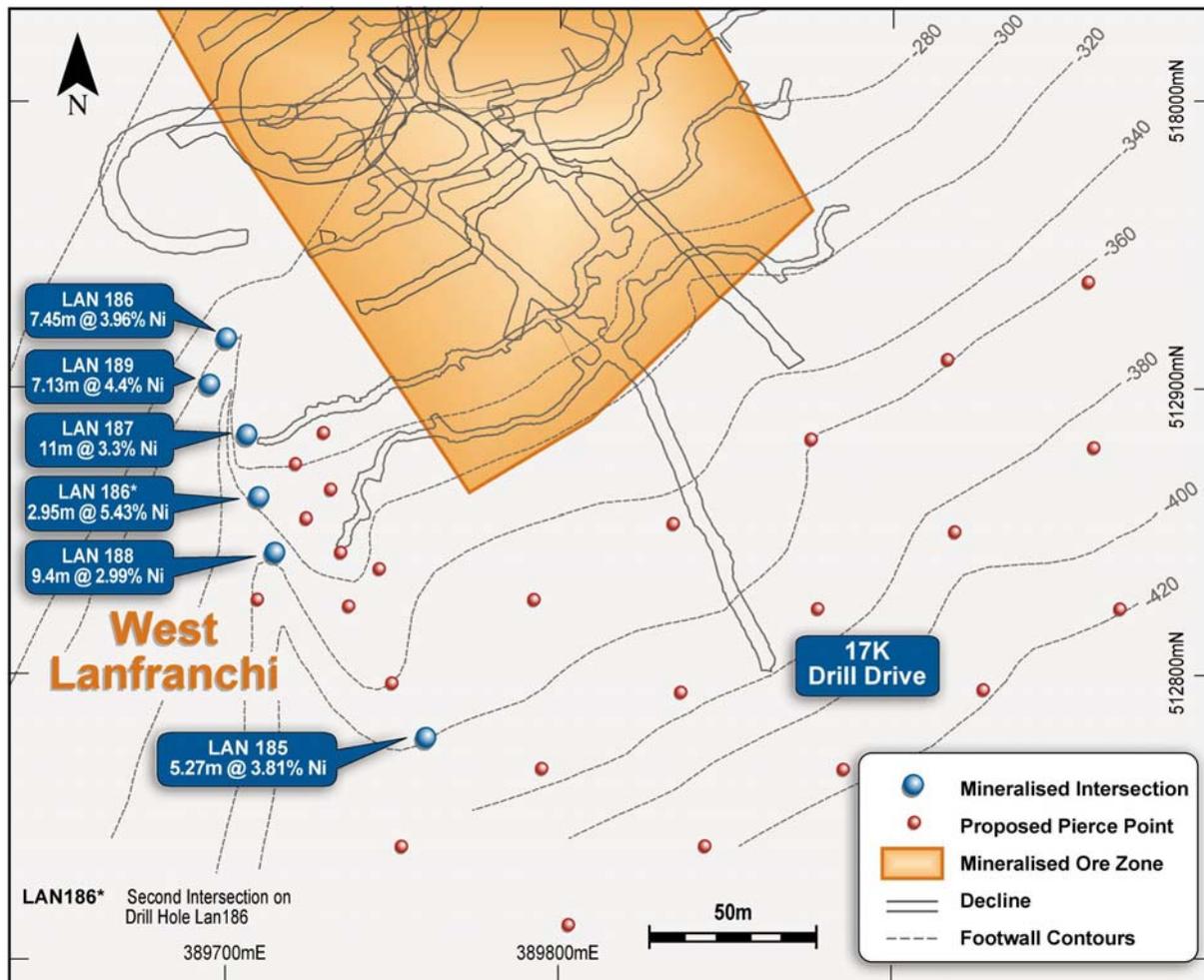
**Figure 2: Schimtz/Deacon extension drilling plan**

## Lanfranchi Extension

A dedicated drill drive (17K) has been established to drill test the down plunge extensions to the Lanfranchi Channel mineralisation (Figure 3). In addition, drilling is planned to test the recently discovered West Lanfranchi mineralisation which returned the following intercepts:

- LAN185            5.27m @ 3.81% Ni
- LAN186            7.45m @ 3.96% Ni  
  including        2.95m @ 5.43% Ni
- LAN187            11.0m @ 3.30% Ni
- LAN188            9.4m @ 2.99% Ni

Following the completion of this program, the 17K drill drive will be extended to allow further testing of the down plunge extension of the channel.



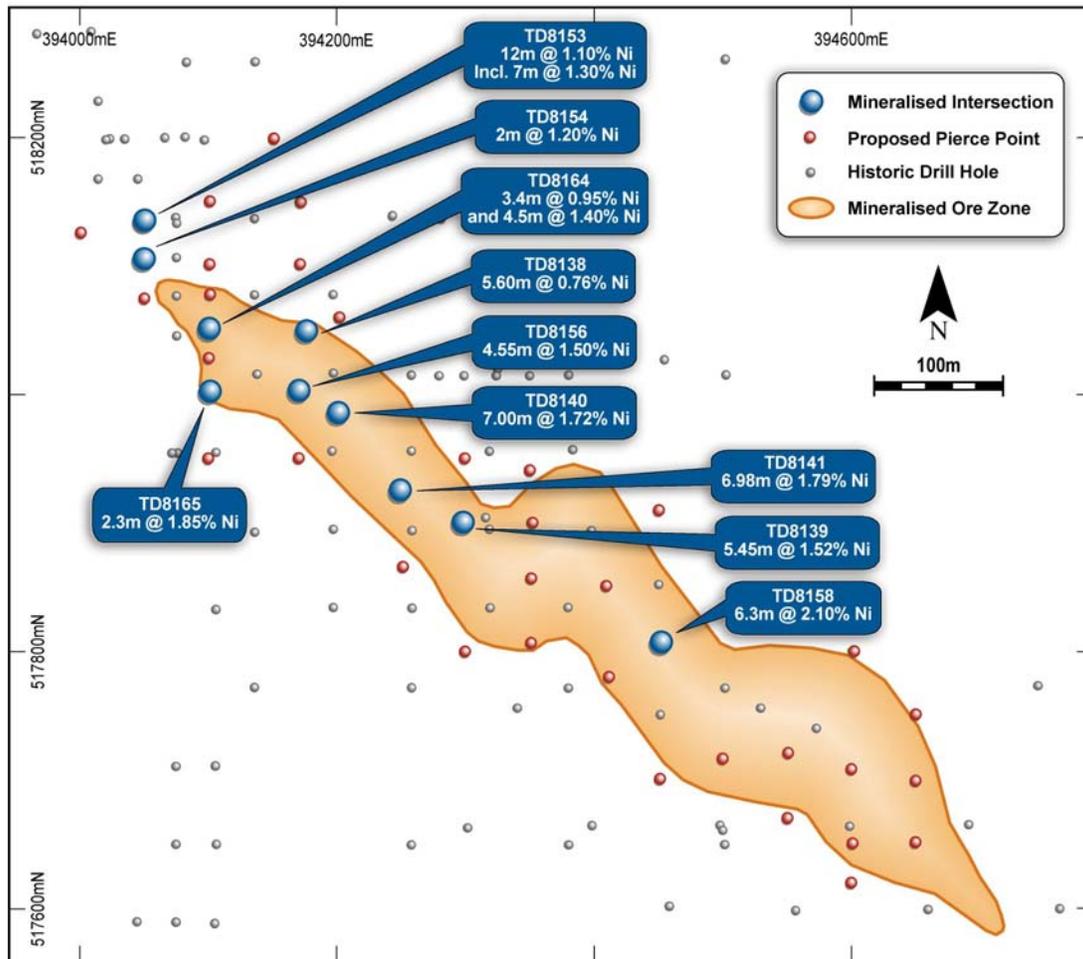
**Figure 3: Lanfranchi Channel extension drilling**

### Cruickshank – targeting a new mine development

A surface diamond drilling program has commenced to infill and upgrade the large Cruickshank deposit. The program consists of approximately 40 drill holes and drilling to date has returned mineralised widths and grades consistent with the historical drill holes (Figure 4). Better results to date include:

- TD8139 5.45m @ 1.54% Ni
- TD8140 7.00m @ 1.72% Ni
- TD8141 6.98m @ 1.79% Ni
- TD8158 6.30m @ 2.10% Ni

As previously reported, metallurgical test-work on Cruickshank drill cores achieved nickel recoveries of approximately 90% to a 9% concentrate, based on the BHP Nickel West Kambalda Nickel Concentrator standard operational grind and reagent regime.



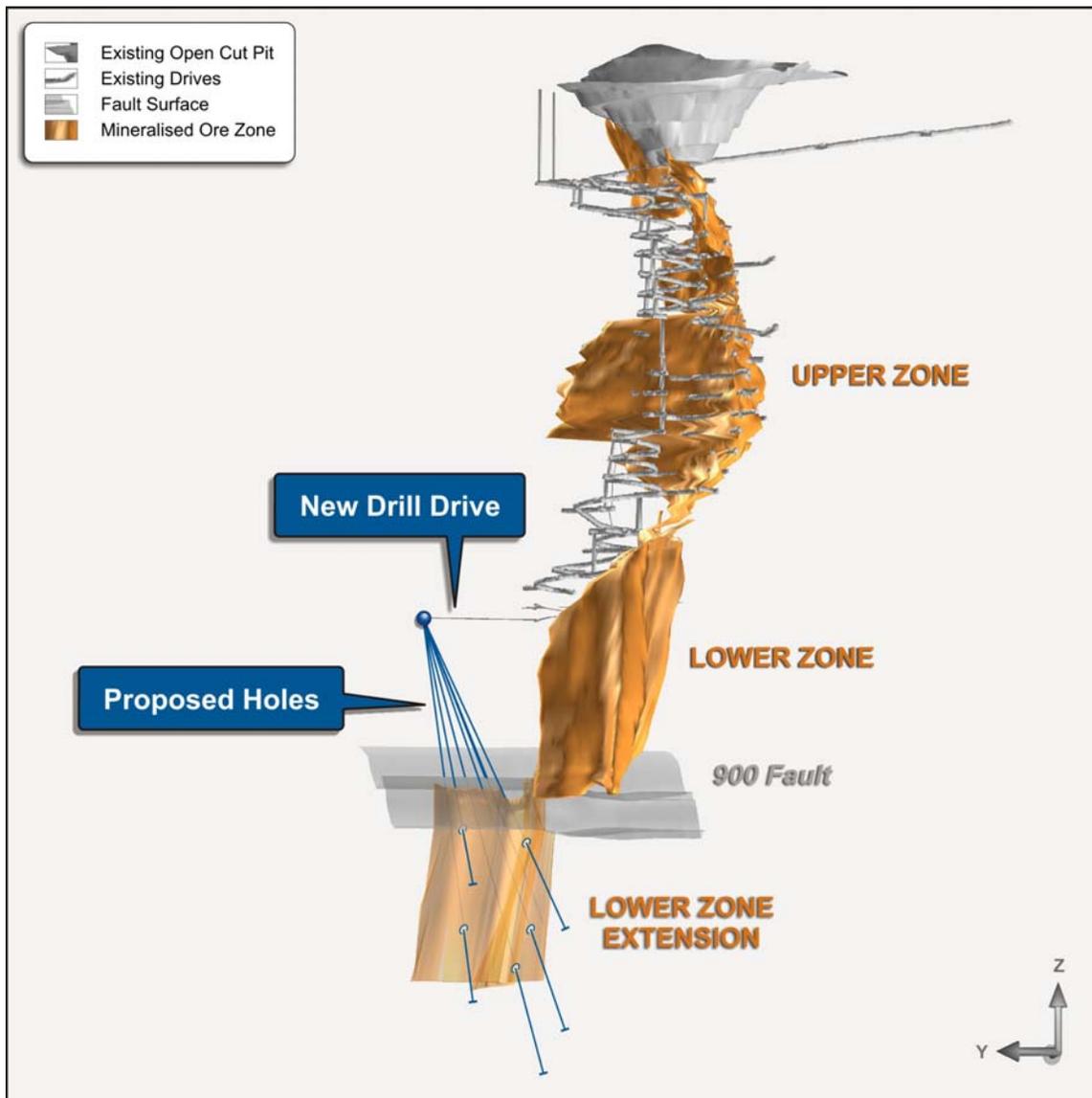
**Figure 4: Cruickshank Resource Drilling**

## Savannah Nickel Project

### Savannah Intrusion

During the Lower Zone Resource and Reserve diamond drilling program, several drill holes were extended down below the 900 fault. The deepest of these holes was terminated 400m below the fault and for 350m down hole. The hole skimmed in and out of the Savannah Intrusion intersecting several zones of Savannah Style massive sulphide mineralisation. Over the same interval, the hole returned a strong, continuous Electro-Magnetic (EM) anomaly incorporating both on-hole and off-hole responses. The character and magnitude of the response is equal to the best of the EM anomalies recorded in the vicinity of the Savannah deposit to date.

It is planned to develop a new drill drive (Figure 5) in H1 2011, to allow for a full program of drilling into the Lower Zone Extension. The drilling will be designed to test for a resource of similar size to the Lower Zone.

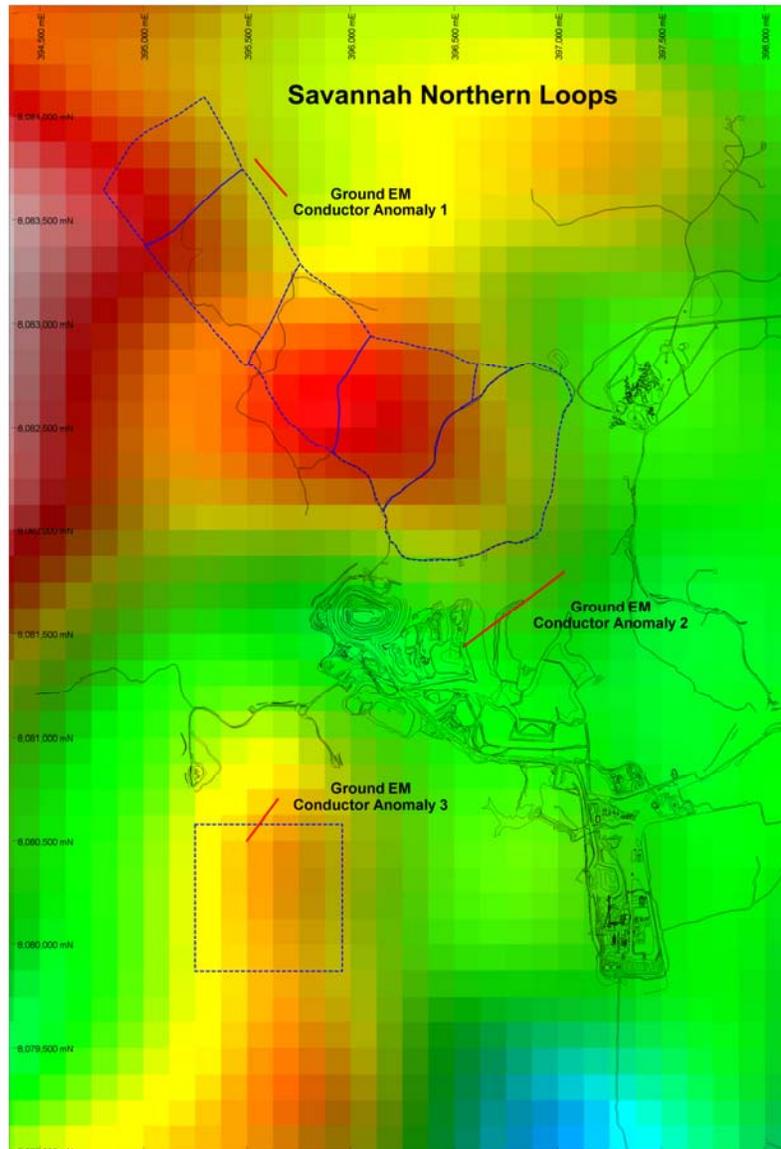


**Figure 5:** Savannah proposed Lower Zone extension drilling

**Savannah near Mine EM Targets**

Deep penetrating, fixed-loop ground electromagnetic (EM) surveys were conducted over the Savannah mine area in 2010, including the Savannah intrusion and North Olivine Gabbro areas. The survey areas coincide with residual gravity highs identified from the recent ground and airborne gravity surveys, and are considered to be the most prospective areas for the discovery of additional “Savannah style” Ni-Cu-Co mineralisation within the immediate mine area.

Three high priority anomalies were identified and will be included with the drill targets currently being developed as part of the regional East Kimberley exploration program (Figure 6). It is envisaged drill testing of targets will commence early in the 2011.



**Figure 6: Savannah Near mine EM targets**

**East Kimberley JV (earning 61%)**

Enhanced processing of the East Kimberley JV (EKJV) regional airborne gravity and magnetic survey data is ongoing with target selection for follow-up exploration well advanced. Geotech Airborne has flown VTEM “max” System surveys over the selected residual gravity anomalies. Approximately 5,500 line kilometres of survey had been completed over six individual survey areas and over forty EM anomalies have been identified that warrant on-ground investigation.

In addition to the VTEM survey program, inversion modelling of the gravity and magnetic survey data has commenced, which will enable 3D models of the regional airborne data to be constructed. The inversion models and VTEM data has been combined to identify new targets for drill testing in 2011.



## About the Company

Panoramic Resources Limited (ASX Code **PAN**, ABN 47 095 792 288) is an established Western Australian based nickel sulphide producer with two underground mines, the Savannah Project in the Kimberley, and the Lanfranchi Project 42km south of Kambalda. In FY2010 our operations produced 17,458t Ni contained and we are forecasting to produce 18-19,000t Ni contained in FY2011. 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 mine life. Panoramic is continuing to assess opportunities to grow the Company through acquisitions of projects and/or companies that would be complementary to the existing business, and reflect the Company's commodity expertise and risk profile.

For further information contact:

Peter Harold  
Managing Director  
+61 8 9225 0999

The information in this release that relates to Mineral Resources is based on information compiled or reviewed by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee of Panoramic Resources Limited. Mr Hicks has 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 consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.