

vision
commitment
results



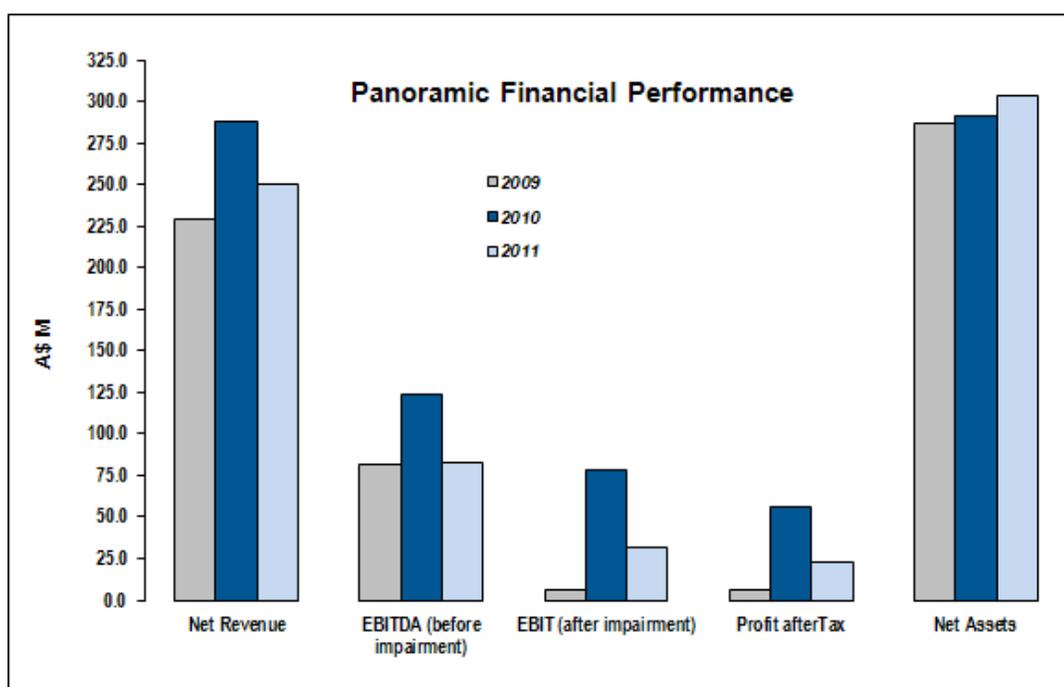
26 August 2011

ASX: PAN

Panoramic 2010/11 Full Year Results and Final Dividend

Key Points

- \$22.3 million Net Profit after Tax, after booking a \$5.5 million impairment on equity investments
- Final fully franked dividend of 2.0 cents per share declared, a 87% pay-out ratio for the second half of the year
- Total fully franked dividends of 6.0 cents per share, a 56% pay-out ratio over the full year
- Strong cash and current receivables of \$126.4 million
- Net cash flow of \$61.5 million from operations before tax
- Significant capital investment totalling \$71.6 million, including \$15.5 million for the Gidgee acquisition
- Average Group payable nickel cash costs of A\$6.25/lb, reflecting lower contained nickel production and by-product credits
- Average realised nickel price after hedging of A\$10.58/lb, reflecting the impact of the stronger A\$ and hedging losses
- Total nickel production of 17,027 tonnes, 8% lower than the internal budget
- Focus on safety maintained





Summary

Panoramic Resources Limited ("Panoramic") is pleased to announce a net profit after tax for 2010/11 of **\$22.3 million**. This is our 7th straight profit and reflects the quality of our assets and personnel. Importantly, our cash and receivables position remains very strong at **\$126.4 million**. Total assets were down marginally to **\$408.7 million** while Shareholders equity was up 4% to **\$303.1 million** and total liabilities fell 16% from \$125.7 million to **\$105.6 million**

After two years of very strong hedging gains (\$84.3 million in total), we reported a hedging loss of \$13.8 million in FY2010/11. The hedge positions were put in place during a period of renewed positive sentiment in relation to world economic growth following the worst of the *global financial crisis* and the associated economic uncertainty. The hedging loss, combined with lower nickel production (down 8% year on year), the stronger A\$ and the \$5.5 million write down of our investment in Magma Metals Limited (Magma), impacted our final profit. Our return on equity for the year was a solid 22% and based on the strength of our balance sheet, the positive outlook for our business and our commitment to continuing to pay fully franked dividends, the Board declared a final fully franked dividend of 2.0 cents per share bringing our pay-out ratio to 56% for the year.

Table 1: Key Financial Indicators: Comparison of 2011, 2010 & 2009

Year Ended 30 June	2011 1 st Half	2011 2 nd Half	2011 Full Year	2010 Full Year	2009 Full Year
LME average cash nickel price	US\$10.16/lb	US\$11.61/lb	US\$10.89/lb	US\$8.81/lb	US\$6.03/lb
RBA average US\$:A\$ FX settlement rate	US\$0.9454	US\$1.0329	US\$0.9891	US\$0.8830	US\$0.7456
Group nickel production (dmt)	8,216t	8,811t	17,027t	17,458t	17,928t
Commodity derivative hedging gains/(losses)	(\$4.1M)	(\$9.7M)	(\$13.8M)	\$40.0M	\$44.3M
Total net revenue (including interest income)	\$129.2M	\$120.4M	\$249.6M	\$287.8M	\$228.7M
EBITDA (and before impairment)	\$49.4M	\$33.4M	\$82.8M	\$124.1M	\$81.7M
Depreciation and amortisation	\$22.1M	\$24.0M	\$46.1M	\$52.7M	\$49.5M
Profit before tax (and before impairment)	\$26.6M	\$9.7M	\$36.3M	\$71.1M	\$31.7M
NPAT (and before impairment)	\$17.5M	\$8.7M	\$26.2M	\$51.2M	\$24.0M
(Impairment)/impairment reversal (after tax)	-	(\$3.9M)	(\$3.9M)	\$5.0M	(\$18.4M)
NPAT	\$17.5M	\$4.8M	\$22.3M	\$56.2M	\$5.6M
Earnings per share (EPS)	8.5c	2.3c	10.8c	27.5c	2.9c
Cash flow from operating activities before tax	\$20.5M	\$41.0M	\$61.5M	\$131.8M	\$54.8M
Payments on P,P&E, dev't and exploration	\$20.8M	\$35.3M	\$56.1M	\$34.9M	\$60.7M
Acquisition of the Gidgee Gold Project	-	\$15.5M	\$15.5M	-	-
Cash and current receivables	\$156.2M	\$126.4M	\$126.4M	\$158.3M	\$95.9M
Total assets	\$408.6M	\$408.7M	\$408.7M	\$416.8M	\$380.3M
Total liabilities	\$114.2M	\$105.6M	\$105.6M	\$125.7M	\$94.0M
Shareholders equity	\$294.4M	\$303.1M	\$303.1M	\$291.1M	\$286.3M
Return on equity (ROE)	17%	5%	22%	55%	6%
Dividend payment per share	4.0c	2.0c	6.0c	16.5c	3.0c
Dividend pay-out ratio	47%	87%	56%	60%	103%



Key Financial Points

- *The Balance Sheet* had cash and current receivables totaling **\$126.4 million** at 30 June 2011 putting Panoramic in a very strong financial position to achieve our stated goals of increased nickel production (targeting **25,000 tonnes per annum** within two years), **aggressive exploration expenditure** to increase our resource and reserve base and to **acquire assets to diversify our commodity mix**. The Company has no bank debt and only \$1.4 million in finance leases.
- *The Hedge Book* was **\$9.3 million** "in the money" at year end, with nickel forward contracts to be delivered in FY2011/12 at a significantly improved average price of **US\$11.69/lb**.
- *Cash flow from Operating Activities* totalled **\$61.5 million** for the year. Cash flow was significantly higher in the second half of the year (\$41.0 million) as the value of finished saleable product, recognised as sales revenue in the first half, was received as cash from our customers.
- *Net Sales Revenue (including interest)* of **\$249.6 million** was 13% lower than last year, due to a combination of:
 - (i) lower contained nickel production;
 - (ii) the strengthening of the A\$ to levels above parity against the US\$;
 - (iii) \$13.8 million of realised hedging losses on low priced US\$ nickel forward contracts (average US\$7.63/lb) that were put in place during the *global financial crisis* in 2008/09. This compares to the \$40 million of hedging gains recognised last year on nickel forward contracts delivered at an average price of US\$12.15/lb;
 - (iv) negative quotational period price adjustments for Lanfranchi ore deliveries made in April, May and June 2010 that were required to be accounted for in FY2010/11; and
 - (v) lower nickel payability on Lanfranchi ore deliveries to the Kambalda concentrator due to the slightly lower delivered average nickel ore grade (2.45% versus 2.54%).
- *Impairment of equity investments* of **\$5.5 million** was recognised in relation to the Company's investment in Magma at 30 June 2011 after the significant and sustained fall in the Magma share price in the second half of the year.
- *Payments on Capital Assets, including the Gidgee Gold Project* totalled **\$71.6 million**, compared to FY2009/10 of \$34.9 million, as the Company completed a number of capital projects at both operations, including increasing the ventilation capacity at Savannah and the construction of the new village at Lanfranchi. In addition, the Company acquired the Gidgee Gold Project in February 2011 for \$15.5 million.

Final Dividend Declaration

The Company has declared a fully franked final dividend of **2.0 cents per share**, bringing the total fully franked dividend payout for the 2011 financial year to **6.0 cents per share**. This represents a pay-out ratio of 56%. The Board is pleased to be able to maintain the payment of fully franked dividends to shareholders that now total **49.5 cents per share** over the last five consecutive financial years.

Details of the final dividend are as follows:

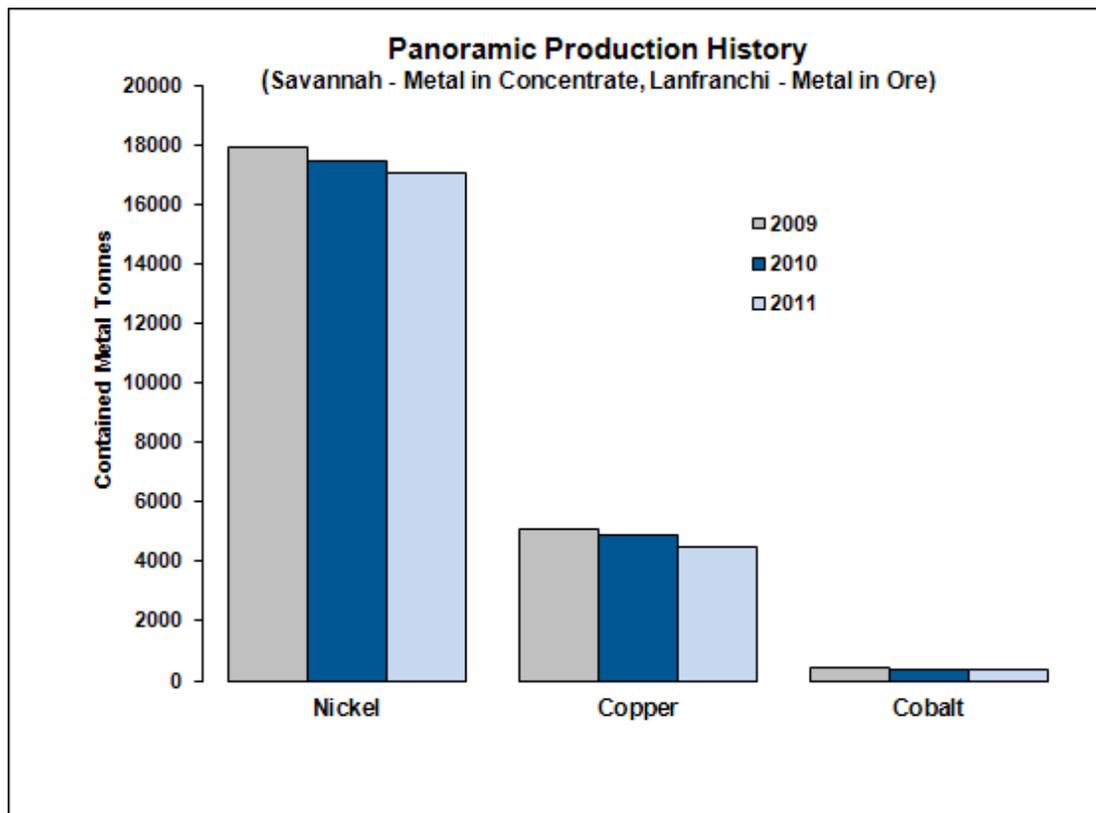
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| • Ex-Dividend Date | Monday 5 September 2011 |
| • Record Date | 5.00pm (WST) Friday 9 September 2011 |
| • Payment Date | Friday 23 September 2011 |



2011 Production Results

Group Production

Group contained metal production in FY2011 was 17,027 tonnes Ni, 4,514 tonnes Cu and 379 tonnes Co. While nickel production was about 8% below our internal budget for the year, it was still a good result given the impact of wet weather, reduced ventilation capacity at Savannah and the lower equipment availability at both operations.



Savannah Project

2011 Financial Year Summary

- 595,944 tonnes ore milled at 1.35% Ni for a total of **6,921 tonnes Ni**, 3,689 tonnes Cu and 379 tonnes Co in concentrate
- Ni recovery averaged 86%, the same as in FY2009/10, and is well above the original feasibility study recovery of 78%
- Ni in concentrate was 6% below our internal budget due to a combination of:
 - (i) Failure of the primary surface ventilation fan which restricted mining activities in December, April and May;
 - (ii) Above average wet weather in the East Kimberley region which reduced trucking to Wyndham in March; and
 - (iii) Lower equipment availability.
- Approval to construct a 3m tailings dam lift received and construction completed
- Approval to construct a new concentrate storage shed in Wyndham



Lanfranchi Project

2011 Financial Year Summary

- 412,403 tonnes of ore mined containing **10,106 tonnes Ni** and 825t tonnes Cu
- Ni in ore was 9% below our internal budget due to a combination of:
 - (i) Lower average delivered ore grade to the Kambalda concentrator (2.45% compared to 2.54% last year), resulting in a reduced payability under the sales agreement;
 - (ii) Some intermittent disruptions to the delivery of paste underground; and
 - (iii) Lower equipment availability.
- Approval and commencement of the construction of the Lanfranchi accommodation village

Gidgee Gold Project

2011 Financial Year Summary

- The Project was acquired in February 2011 for \$15.5 million as an advanced exploration project with **310,000oz of gold in resources**
- Refurbishment of the camp and associated infrastructure commenced in readiness for onsite exploration and evaluation work
- Exploration and production strategy formalised and announced, targeting **100,000ozs per annum**
- Key personnel recruited
- Multiple drill targets identified from initial review of geological interpretations and historic drill results
- Initial air-core drilling program commenced

Exploration 2010/11 Highlights

Savannah & Kimberley Regional

- **Three high priority electromagnetic (EM) targets** were identified around the Savannah mine area and reverse circulation (RC) pre-collars were completed in early 2011. A diamond rig is currently on site completing diamond tails on these RC holes.

East Kimberley JV (Panoramic earning 61%)

- Processing and interpretation of the East Kimberley JV regional airborne electromagnetic (VTEM) surveys data was completed and **numerous target areas identified**. A program of ground EM surveying was undertaken to refine the targets for drill testing.

Lanfranchi Project

- Discovery of a continuous zone of mineralisation extending over 300m down plunge of Helmut South and the subsequent announcement in June 2011 of the **Helmut South Extension Resource** estimate of 181,700 tonnes at 3.90% Ni for **7,080 tonnes Ni contained**.
- A 26% increase of the Cruikshank Resource to 2.63Mt at 1.28% Ni for **33,560t Ni contained**.
- Underground diamond drilling was undertaken about the Deacon/Schmitz areas, with several holes intersecting a **new high-grade zone of mineralisation** to the east of the newly discovered Helmut South Extension Resource.



Other Projects - Australia

- Cowan – field activity continued on the Cowan tenements with numerous targets remaining to be evaluated and drill tested
- Bluebush JV – a small air-core program was carried out in July 2011 to test the phosphate potential on the tenements

Other Projects - Overseas

- Drake Alliance – solid progress was made during the year on the alliance with Drake Resources Limited to identify, explore and develop base and precious metal opportunities across Scandinavia. In addition to the testing of high priority Cu-Zn targets from an airborne VTEM survey in Finland, Panoramic agreed to establish three new joint ventures to explore for copper-rich massive sulphide mineralisation in Norway.

Outlook

General

The Board remains cautious in relation to the short term outlook for the world economy and therefore commodity prices, however expects a slow improvement in business conditions going forward. The Company will continue to actively manage its exposure to commodity prices, diesel and the US\$/A\$ exchange rate through its hedging program and take opportunities when they present to protect margins and optimise revenue. The Board and management are committed to growing the Company in accordance with our 10 Year Plan which is to:

- **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 ASX Top 100 Company.

Safety

The safety, health and well being of all the employees and contractors is the foundation of the Company's values. At Panoramic we are continually seeking improvements in safety performance and in 2011/12 the focus will be on:

- The ongoing development of a Principal Hazard/Risk Control Planning Framework aligned to the National Mine Safety Framework;
- The roll-out of a Revised Risk and Opportunity and Business Planning Framework for conducting all business planning, process, projects and operations;
- Planning and setting of quarterly targets to reduce risk and occurrence of incidents; and
- Promoting leadership at all levels which makes a direct contribution to fulfilling our safety mantra of “safely home every day”.



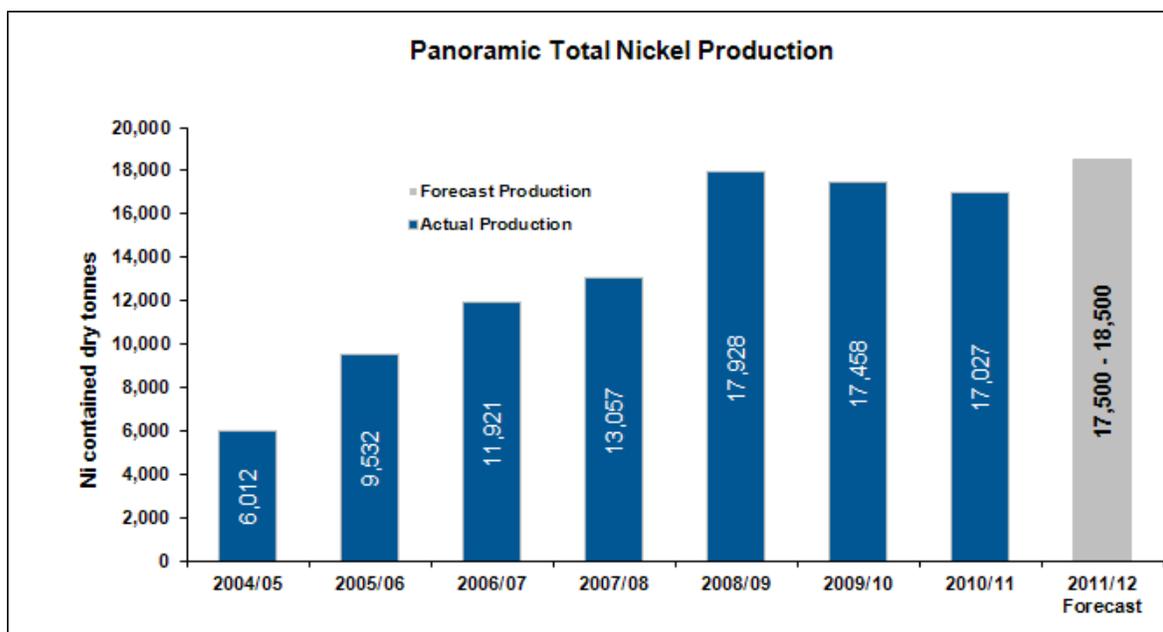
Exploration

During FY2011/12, Panoramic will commit significant funds on our various exploration programs, budgeted at around \$14 million, as we focus on adding to Panoramic's Group nickel and gold resource and reserve base by:

- Ramping up activity at Gidgee including 20,000m of AC and 15,000m of RC/diamond drilling;
- 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;
- Drill testing the strong EM conductors identified on the East Kimberley JV tenements;
- Drilling down plunge of the Deacon, Helmut South, Schmitz, and Lanfranchi orebodies;
- Continuing to explore the Northern Dome structure at Lanfranchi for massive sulphide mineralisation;
- Further drilling on the Cowan tenements; and
- Supporting Drake Resources in our strategic alliance for base and precious metals in Scandinavia.

Production

As previously advised, the production forecast for the combined operations for FY2011/12 is in the range of 17,500-18,500 tonnes Ni contained, plus copper and cobalt credits.



Notes:

1. Savannah production is based on nickel in concentrate
2. Lanfranchi production is based on nickel in ore
3. 2011/12 Forecast is based on not mining Copernicus ore

Business Development

The Company continues 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 make small and strategic equity investments in exploration companies when the opportunity arises. The Company will look to develop long-term relationships if these companies are seeking additional funding and/or technical expertise in order to bring projects into production, or will exit these investments at an appropriate time.

As at 30 June 2011, the Company held the following investment in ASX listed exploration companies:

- Magma Metals Limited (ASX & TSX:MMW) 24.97 million shares
- Hot Chili Limited (ASX: HCH) 6.67 million shares
- Thundelarra Exploration Limited (ASX:THX) 2.15 million shares
- Liontown Resources Limited (ASX:LTR) 1.25 million shares

About the Company

Panoramic Resources Limited (ASX Code **PAN**, ABN 47 095 792 288) is an established Western Australian mining company operating two 100% owned underground nickel sulphide mines, the Savannah Project in the Kimberley, and the Lanfranchi Project 42km south of Kambalda. On a Group basis, Panoraminc produced 17,027t nickel contained in FY2011 and is forecasting to produce between 17,500 to 18,500t nickel in FY2012. In February 2011, the Company acquired the Gidgee Gold Project, located 640kms north-east of Perth. Exploration and evaluation studies have commenced at Gidgee, with the aim of expanding the existing 310,000oz gold resource. The Panoraminc Group has strong cash reserves, no bank debt and is continually looking to grow its existing business through internal exploration success, outside acquisitions and/or joint ventures.

The information in this release that relates to Exploration Results is based on information 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 Panoraminc 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.

The information in this release that relates to Mineral Resources at Gidgee (Premium and Cascade) is based on studies commissioned and published by Apex Minerals NL which were compiled or reviewed by Mr Andrew Thompson as quoted in Apex Minerals 2009 Annual Report.

The information in this release that relates to Mineral Resources at Gidgee (excluding Premium and Cascade) is based on studies commissioned and published by Legend Mining and its consultant Dr Spero Carras, as quoted in Legend Mining's 2006 Annual Report.

Mr Thompson is a member of and Dr Carras a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and 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 Thompson was a full time employee of Apex Minerals NL in 2009 and is currently employed by Corazon Mining Limited. Dr Carras was a consultant to Legend in 2006 and currently Executive Director of Carras Mining Pty Ltd and consults to numerous mining and exploration companies. Mr Thompson and Dr Carras consent to the inclusion in the release of the matters based on the information in the form and context in which it appears.

The information in this release relating to the Helmut South Extension Mineral Resource has been completed by Mr Bradley Robinson. Mr Robinson is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee of Panoraminc Resources Limited. Mr Robinson 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 Robinson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release relating to the Cruickshank Mineral Resource has been completed by Mr Andrew Bewsher of BM Geological Services Pty Ltd. Mr Bewsher is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) 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 Bewsher consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.