



24 August 2012

ASX: PAN

Full Year Results - Guidance Update

In accordance with ASX Listing Rule 3.1 (Continuous Disclosure), Panoramic Resources Limited (ASX: PAN) advises a full year FY2012 Guidance update. Previous guidance of a consolidated Group after tax loss of circa \$13 million was provided in the June 2012 Quarterly Report released on 30 July 2012.

The commentary in the June 2012 Quarterly Report regarding the FY2012 results stated that the estimated after tax loss was still subject to adjustments for the fixing of final pricing for the two Savannah June 2012 concentrate shipments as well as Lanfranchi April 2012 ore deliveries, updated provisional pricing for the May and June 2012 Lanfranchi ore deliveries, an internal tax review, impairment testing and the completion of the full year audit by the Company's auditor.

Following the determination of these additional items (other than completion of the full year audit), the Company now estimates that it will report a consolidated Group after tax loss of circa \$18 million. A reconciliation from the earlier Guidance to the current estimate is given below:

| Consolidated Entity | FY2012 Estimate \$M |
|--|---------------------|
| Net loss after tax (previous Guidance) | ~(\$13) |
| Pricing adjustment on sales revenue | (\$0.5) |
| Impairment on Listed Investments | (\$2.2) |
| Write-down of Copernicus development costs | (\$1.9) |
| De-recognition of capital losses carried forward | (\$1.1) |
| Other adjustments | \$0.7 |
| Net loss after tax | ~(\$18) |

Commentary

Except for the adjustment to sales revenue for July 2012 average monthly pricing on the previous concentrate and ore deliveries, the items recognised since the 30 July 2012 Guidance are all non-cash accounting adjustments in relation to impairment testing and the tax review. Details are as follows:

- *Impairment on Listed Investments* – an impairment charge of \$2.2 million was recognised following the significant fall in the share prices of the Company's listed equity investments since the December 2011 half year;
- *Write-down of Copernicus development costs* – since March 2009, the Company had anticipated the repayment of a \$2.05 million loan made to Thundelarra Exploration Ltd ("Thundelarra") in relation to unpaid cash calls for the Copernicus Joint Venture. In May 2012, Thundelarra elected, under the terms of the Copernicus JV Agreement, to dilute its interest in the Copernicus Project from 40% to 22% rather than making the repayment. As the Copernicus Project remains under care and maintenance, the Company has written-down \$1.9 million of the \$2.05 million that related to development expenditure; and



- *De-recognition of capital losses carried forward* – following a review of the Group's carried forward tax balances, it was recognised that the carried forward deferred tax asset balance included capital losses of \$1.1 million in relation to the impairment of listed investments in the December 2011 half year. As the future utilisation of these capital losses is uncertain, this amount was expensed to the income statement. An additional \$1.7 million of capital losses that were taken up in the previous financial year have also been expensed directly to retained earnings.

It should be noted that no other assets were required to be impaired.

The final financial result for FY2012 is still subject to final audit sign-off and the approval of the Board. The full year FY2012 consolidated financial statements are anticipated to be released mid next week.

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 East Kimberley, and the Lanfranchi Project near Kambalda, Western Australia. On a Group basis, Panoramic produced a record 19,791t of nickel contained in FY2012 and is forecasting to produce between **18,000 and 19,000t** of nickel in FY2013. Panoramic is an S&P/ASX Top 200 Company with a strong balance sheet, minimal debt and a growing nickel, gold and PGMs resource base, employing more than 500 people.

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic recently purchased the high-grade Wilsons Project located within the Gidgee tenement package as well as a 70% interest in the Mt Henry Gold Project. Panoramic's Gold Resources now contain 2.07M oz of gold. Panoramic recently released a Scoping Study on the recommencement of gold production from Gidgee and will commence a Bankable Feasibility Study on the Mt Henry project in August 2012.

The Company has recently expanded into Platinum Group Metals (PGMs) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley, which contains approximately 1.0Moz of Pt and 1.1Moz of Pd in Resource. Following the takeover of Magma Metals, Panoramic also owns the Thunder Bay North PGM Project in northern Ontario, Canada which contains approximately 0.4Moz Pt and 0.4Moz Pd and a suite of exploration projects for gold and base metals in Western Australia.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining house in the S&P/ASX Top 100 Index.