



17 October 2012

ASX: PAN

Gidgee Resource Upgrade - Howards and Heron South

Highlights

- Howards Resource increased 100% to 182,500oz Au, gold grade increased by ~5% - remains open at depth and along strike
- Heron South Resource increased 34% to 80,300oz Au
- Gidgee Gold Project Resources now total ~1.2Moz Au
- Gidgee Project Scoping Study to be updated to include the new Howards and Heron South Resources

Details

Panoramic Resources Ltd ("Panoramic") is pleased to announce a combined **74% increase in the Resources at Howards and Heron South**, part of the 100% owned Gidgee Gold Project. Total Gidgee resources are now **11.8Mt at 3.07g/t Au for 1,160,000oz Au**. Importantly, the Resource upgrade at Howards and Heron South demonstrate the **potential for further Resource upgrades and exploration success at Gidgee** (refer Figure 1). These resources will now be included in the updated Gidgee Gold Project Scoping Study, which is currently underway and due for completion before the end of 2012.

Howards

The updated Resource at Howards is now **3.5Mt at 1.61g/t for 182,500oz Au, a 100% increase** over the previous estimate. Additionally, the gold grade has increased by ~5% from 1.54g/t to 1.61g/t. The recently completed drilling program at Howards demonstrates a **mineralised system that remains open at depth and along strike** (refer Figures 2 and 3). The Howards Resource has not previously been mined and has the potential to be an early source of ore in any redevelopment at Gidgee.

Heron South

The upgraded Resource at Heron South is now **1.1Mt at 2.20g/t Au for 80,300oz Au, a 34% increase** over the previous estimate. Resource definition drilling has confirmed a continuous, well defined mineralised zone beneath the existing open pit.

Upgraded Scoping Study

The recently announced (7 August 2012) Gidgee Scoping Study will now be expanded to include the Resource upgrades at Howards and Heron South. The upgraded resources add to the prospects of the redevelopment and commencement of operations at Gidgee. Assuming that the updated Gidgee Scoping Study is completed before the end of 2012, Panoramic plans to commence a detailed Feasibility Study in early 2013. Subject to positive economic results, financing and necessary statutory approvals, the target is to be in gold production at Gidgee in mid-2014.

Panoramic remains confident that Gidgee will contribute to the Company's transformation into a diversified mining house.



Resource Methodology

The upgraded Resources at Howards and Heron South were jointly undertaken by Panoramic and BM Geological Services (BMGS), using conventional three dimensional block models on an undiluted basis. The Resources are reported at a cut-off grade of 0.5g/t Au and have been updated following the completion of the Resource Definition drilling program in the September 2012 quarter. The Howards and Heron South Resource tables and disclosures are shown in Appendix 1.

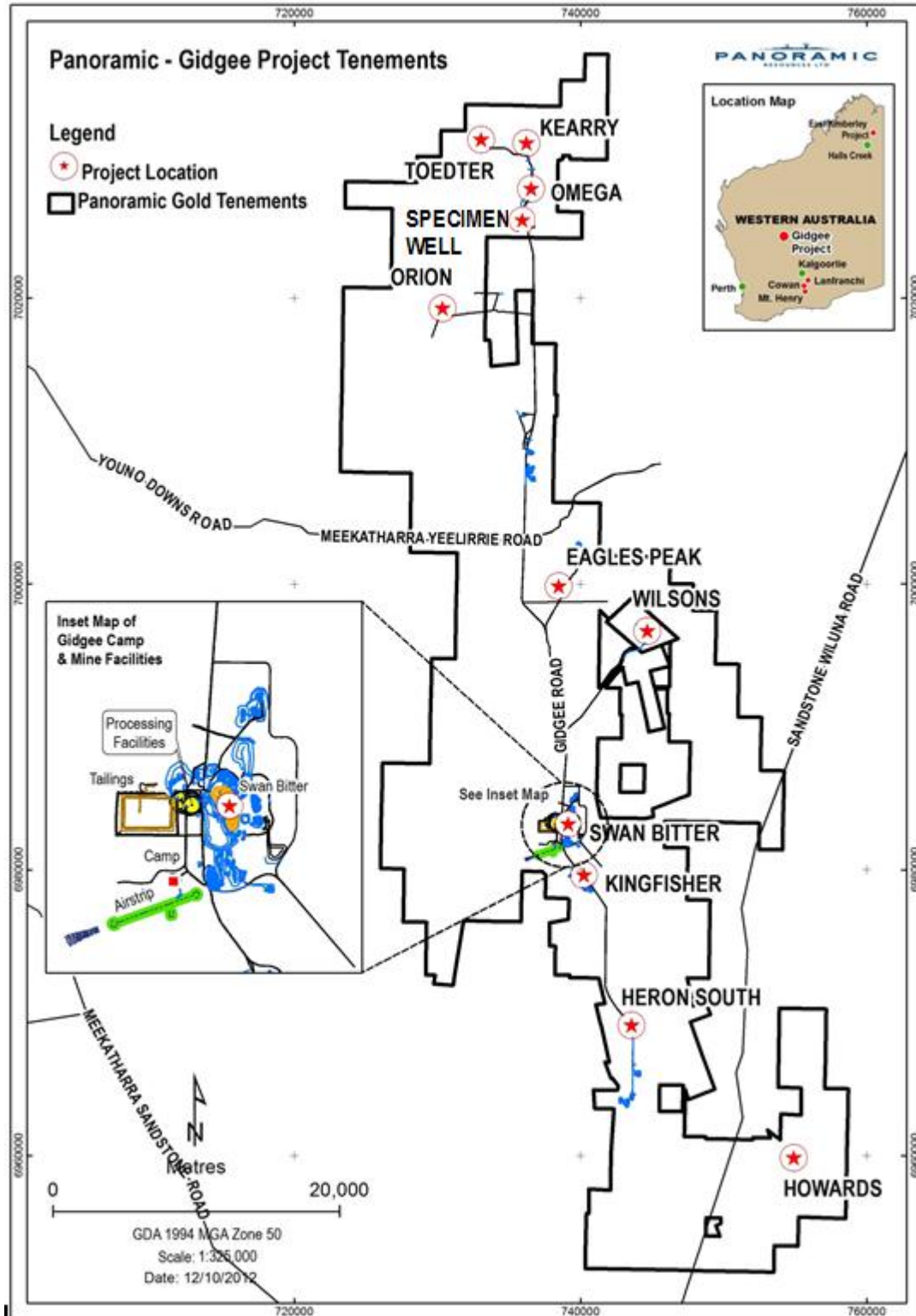


Figure 1: Gidgee Project and selected resource locations

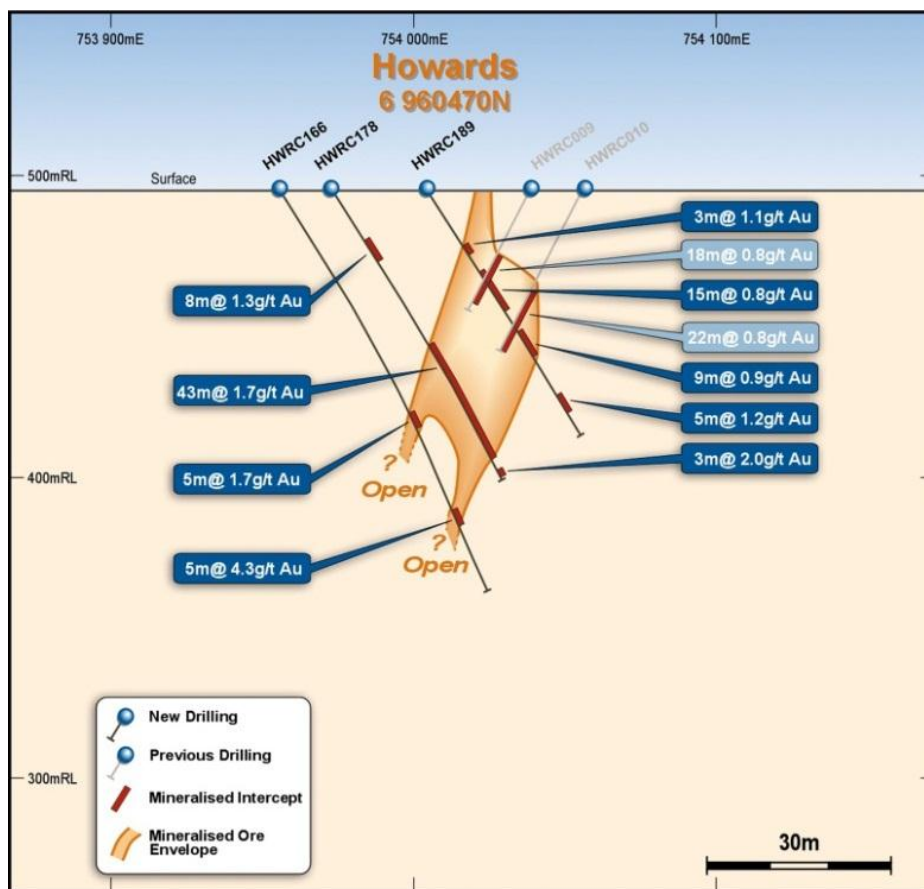


Figure 2: Howards Section 6 960 470N

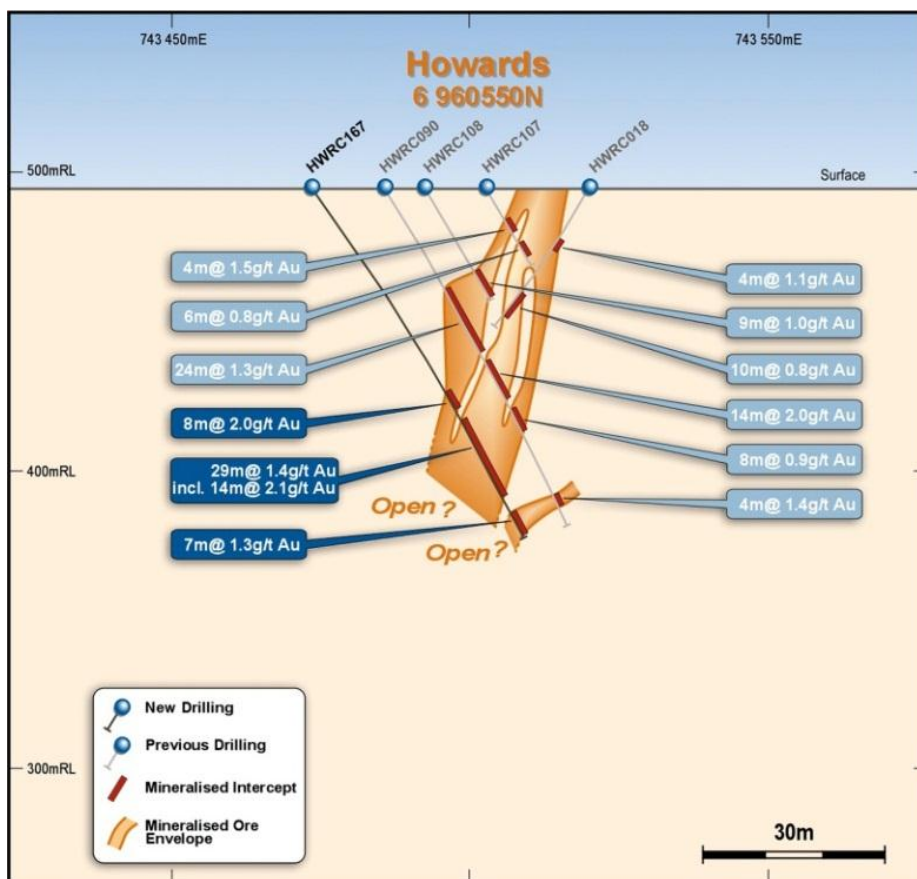


Figure 3: Howards Section 6 960 550N

Appendix 1:- Panoramic – Gold Resources

Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal (Au oz)
				Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
Gidgee Project	100%	Gold										
Swan OC			Jun-12	-	-	3,399,000	2.40	327,000	3.51	3,726,000	2.49	298,600
Heron South			Oct-12	-	-	1,000,000	2.31	136,000	1.41	1,136,000	2.20	80,300
Howards			Oct-12	-	-	2,557,000	1.43	975,000	2.08	3,532,000	1.61	182,500
Specimen Well			Jun-12	-	-	289,000	2.06	72,000	1.79	361,000	2.00	23,200
Toedter			Jun-12	-	-	-	-	661,000	1.62	661,000	1.62	34,400
Eagles Peak			Mar-06	-	-	13,000	3.46	-	-	13,000	3.46	1,400
Orion			Mar-06	-	-	22,000	3.04	-	-	22,000	3.04	2,200
Deep South			Mar-06	-	-	20,000	3.02	-	-	20,000	3.02	1,900
Swan UG			Jun-12	-	-	207,000	8.71	125,000	9.02	332,000	8.83	94,200
Swift UG			Jun-12	-	-	-	-	72,000	9.23	72,000	9.23	21,400
Omega UG			Mar-06	-	-	31,000	9.20	-	-	31,000	9.20	9,200
Kingfisher UG			Mar-06	-	-	390,000	6.80	-	-	390,000	6.80	85,300
Wilsons UG			Apr-08	-	-	921,000	7.25	535,000	6.42	1,457,000	6.95	325,400
Mt Henry Project	70%	Gold										
Selene			Feb-08	-	-	8,243,000	1.59	2,183,000	1.44	10,426,000	1.56	522,500
Mt Henry			Sep-09	-	-	4,112,000	1.93	3,569,000	1.76	7,680,000	1.85	457,100
North Scotia			Feb-09	-	-	150,000	5.20	241,000	2.17	391,000	3.33	42,000
Total (Equity)		Gold		-	-	21,354,000	2.25	8,896,000	2.22	30,250,000	2.24	2,181,700

*Note: Totals may not add due to rounding.

Competent Persons Disclosures

Gidgee Project

- Swan OC resource cutoff grade is 0.7 g/t
- Eagles Peak resource cutoff grade is 1.2 g/t
- Orion resource cutoff grade is 1.3 g/t
- Deep South resource cutoff grade is 1.2 g/t
- Swan UG resource cutoff grade is 4.0 g/t for Indicated resources and 5.0 g/t for Inferred resources
- Swift UG resource cutoff grade is 5.0 g/t
- Omega UG resource cutoff grade is 3.0 g/t
- Kingfisher UG resource cutoff grade is 3.0 g/t
- Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Swan OC, Eagles Peak, Orion, Deep South, Swan UG, Swift UG, Omega, and Kingfisher Mineral Resources is based on information compiled by or reviewed by Dr Spero Carras (FAusIMM). Dr Carras is the Executive Director of Carras Mining Pty Ltd and was acting as a consultant to Legend Mining Ltd in 2006 and Panoramic Resources Ltd in 2012. Dr Carras has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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. Dr Carras consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

- Heron South resource cutoff grade is 0.5 g/t
- Howards resource cutoff grade is 0.5 g/t
- Specimen Well resource cutoff grade is 0.5 g/t
- Toedter resource cutoff grade is 0.5 g/t
- Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Heron South, Howards, Specimen Well, and Toedter Mineral Resources is based on information compiled by or reviewed by John Hicks (MAusIMM). John Hicks is a full time employee of Panoramic Resources Ltd. John Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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. John Hicks consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

- Wilsons resource cutoff grade is 4.5 g/t
- Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Wilsons Mineral Resource is based on information compiled by or reviewed by Andrew Thomson (MAusIMM). Andrew Thomson was a full time employee of Apex Mining NL in 2009 and is currently a full time employee of Corazon Mining Ltd. Andrew Thomson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration



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 300 Index Company with a strong balance sheet, minimal bank debt and a growing nickel, gold and PGMs resource base, employing more than 500 people (including contractors).

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 2.2M oz of gold. Panoramic released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee and has commenced a Bankable Feasibility Study on the Mt Henry Project.

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 100 Index.

For further information contact:

Peter Harold
Managing Director
+61 8 9225 0999