



31 January 2011

ASX: PAN

## Gidgee Gold Project Purchase

### Summary

Panoramic Resources Limited ("**Panoramic**") is pleased to announce that it has executed an agreement with Apex Minerals NL ("**Apex**") to purchase the **Gidgee Gold Project** for A\$15.5M (excluding tenement M53/153 which covers the Wilsons Refractory Gold Project).

Panoramic anticipates that the conditions precedent to the agreement will be satisfied by the end of February and that completion will take place at that time.

### Highlights

- Large prospective exploration package ~1,200km<sup>2</sup>
- Limited exploration since 2005
- Historical production ceased in 2005 when gold was at US\$550/oz
- 310,000 ounces of gold in JORC compliant resources
- Excellent Infrastructure
- Excellent exploration potential
- Significant exploration program planned for 2011

### Gidgee Project Overview

The Gidgee Project is located 640 kilometres northeast of Perth and includes a 600,000tpa process facility (not in operation), a 150 person camp and a significant tenement package which contains 310,000oz of gold in resource and substantial exploration upside.



The project covers an area of approximately 1,200 square kilometres of the Gum Creek greenstone belt. The central core of the area is held as granted Mining Leases, which cover a 70 kilometre long structural corridor containing numerous occurrences of gold mineralisation.

The Gidgee Project was mined almost continuously from 1987 to 2005 when the project was placed on care and maintenance. Approximately twenty open pits were mined on near surface gold mineralisation, and underground mining was undertaken beneath the Swan Bitter and Kingfisher pits.



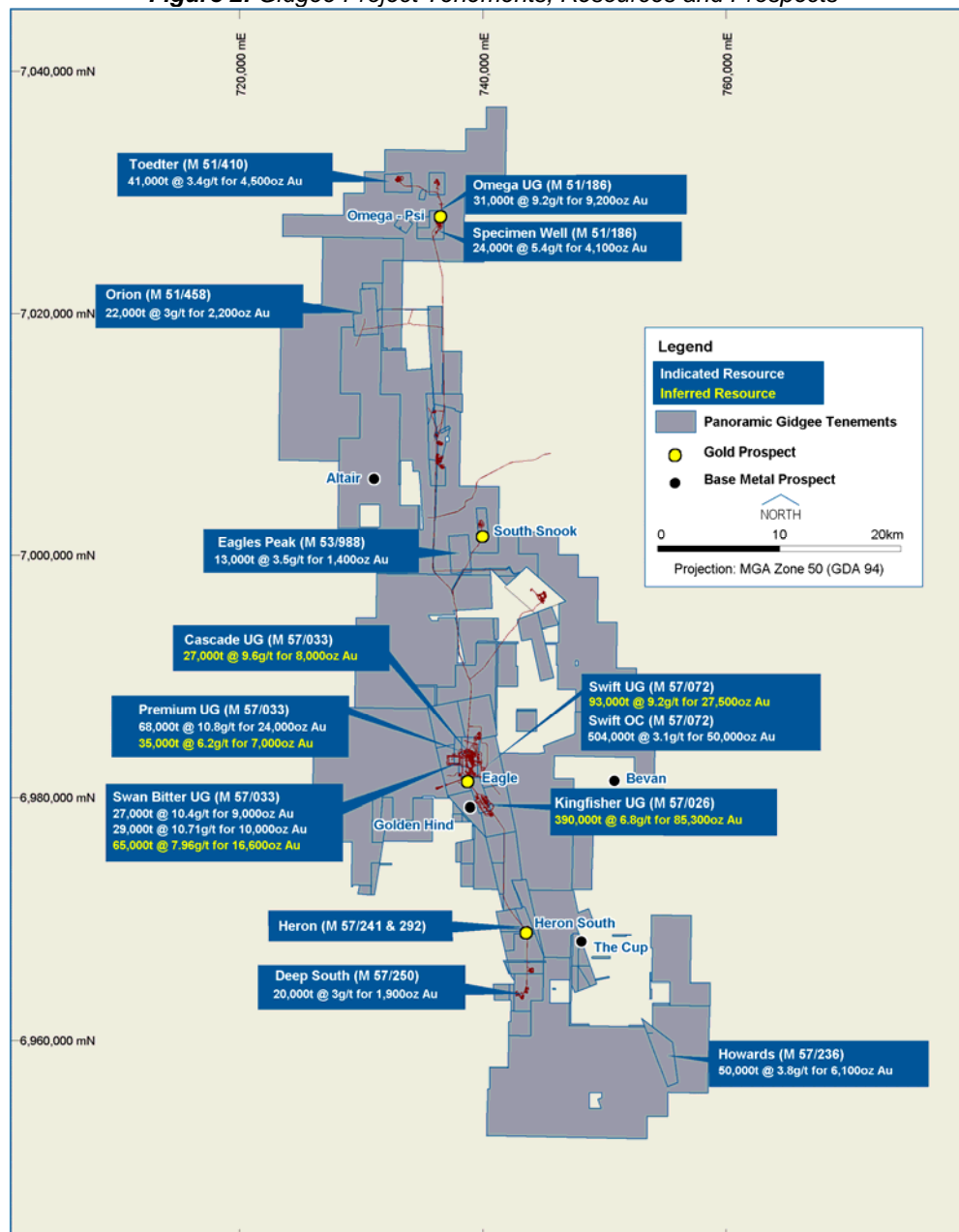
## Exploration Potential - Gold

The Gidgee Project hosts numerous historical projects with high-grade mineralisation that have not seen any significant exploration since 2005. In Panoramic's view, considerable potential remains to expand and further define the gold resources associated with the known deposits within the Gidgee project.

The most obvious target is within the Swan Bitter – Butcherbird area, particularly within the Premium and Cascade area where high grade resources have not been fully tested. Eagle, Heron, Omega and Snook South all have the high probability of increasing the resource base with additional exploration.

There is also a significant opportunity to identify additional mineralisation within several areas where little or no meaningful exploration has been undertaken. A summary of a number of priority targets identified are outlined below (Figure 2).

**Figure 2: Gidgee Project Tenements, Resources and Prospects**





## Premium

Premium has an indicated and inferred resource of 103,000t at 9.2g/t Au for a total of 31,000 ounces of contained gold (Figures 2,3 & 4). Better results as follows:

- **8.6m at 40.8 g/t Au** in GDC058
- **11m at 17.8 g/t Au** in GDC030
- **7.0m at 7.1 g/t Au** in AGDC0008

Potential remains to discover additional mineralisation to the south of Premium.

## Cascade

The mineralisation at Cascade is a flat-lying southerly plunging shoot, consistent with other mineralised shoots mined at Swan Bitter underground (Figure 3). A resource of 27,000t at 9.6 g/t Au for a total of 8,000 ounces has been estimated. Mineralisation is still open in several directions with better results as follows:

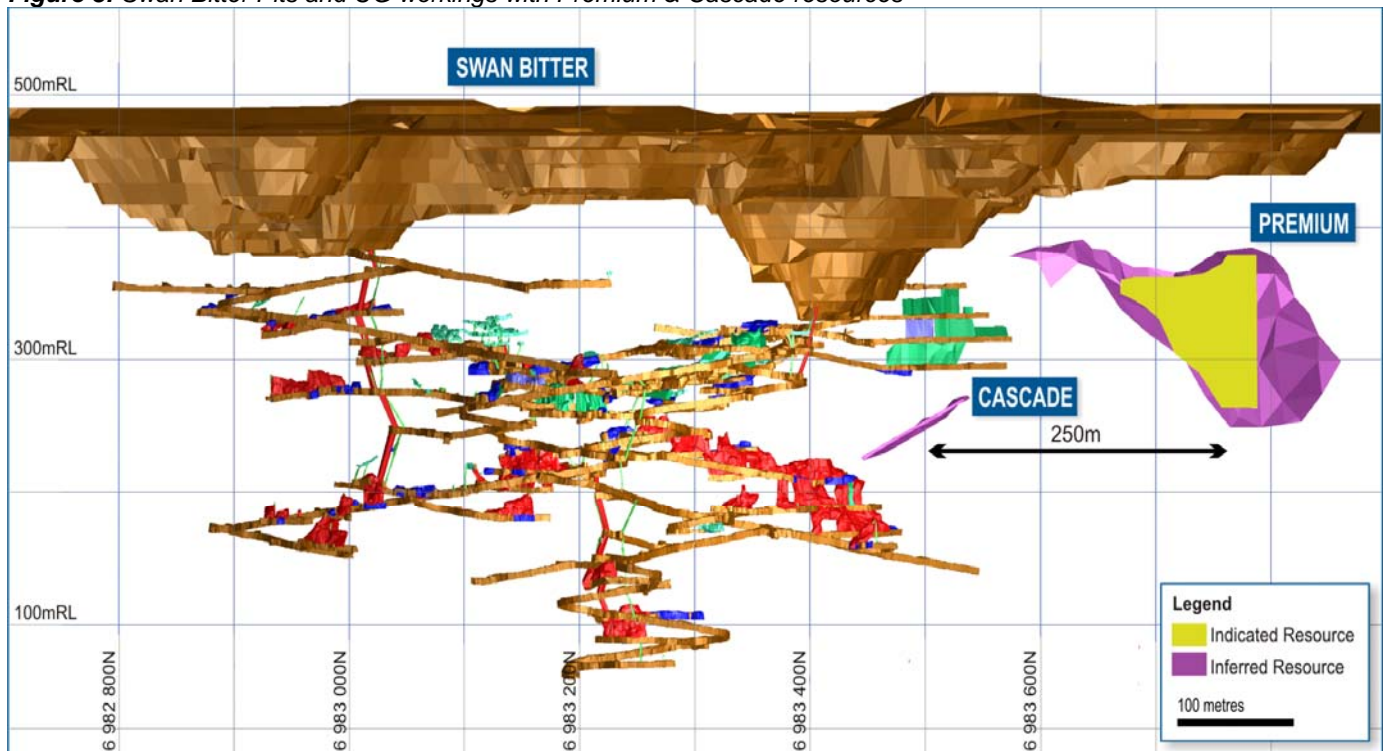
- **14.7m at 5.3 g/t Au** in JDWA233
- **6.1m at 10.1 g/t Au** in AGDD0097
- **7.9m at 17.6 g/t Au** in GDC159

## Eagle

Eagle pit was mined to a depth of 50 metres, exploiting only the oxide mineralisation. The mineralised structure below the pit has been poorly tested. Better results from historical drilling are:

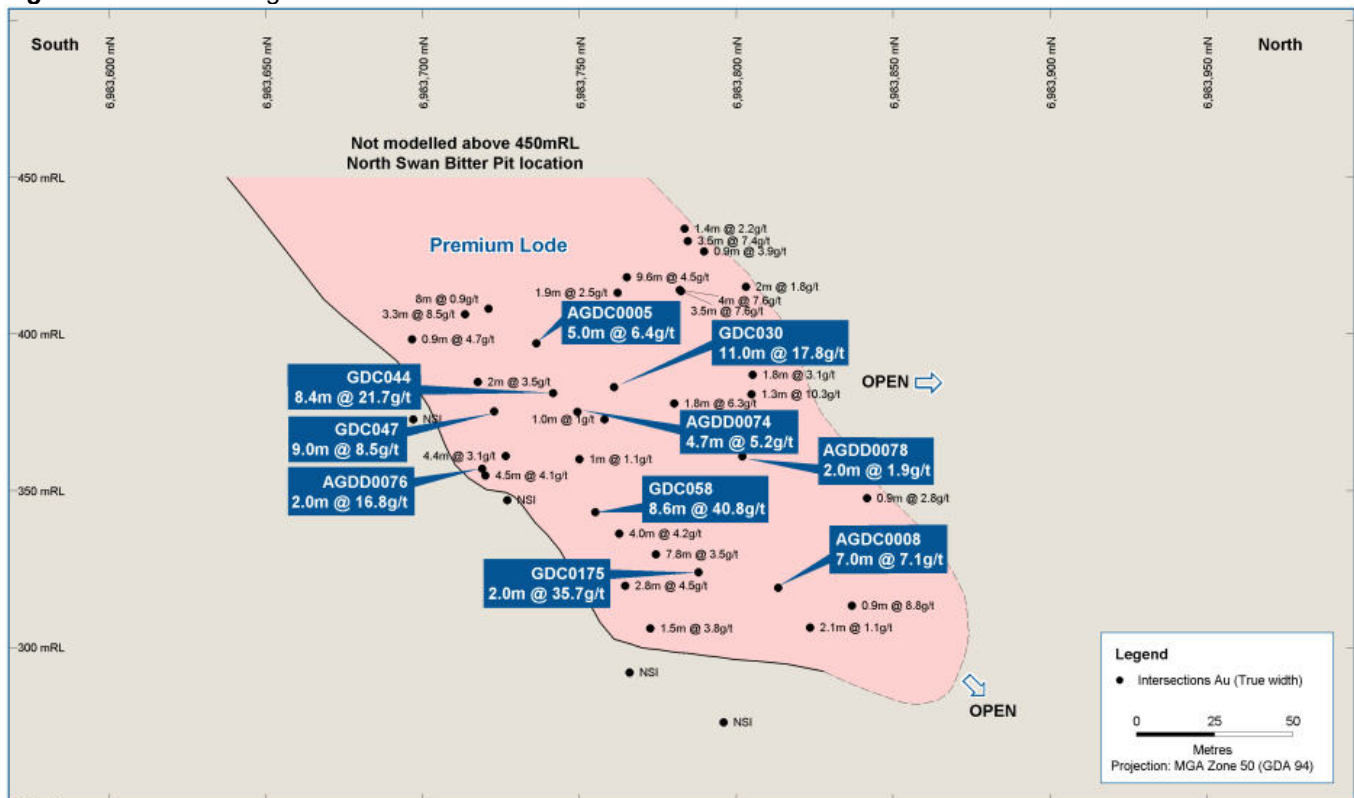
- **5m at 12.7 g/t Au** from 331m in GDC105
- **7m at 8.3 g/t Au** from 166m in AGDC0009

**Figure 3: Swan Bitter Pits and UG workings with Premium & Cascade resources**





**Figure 4: Premium Long Section**



## Heron

Significant supergene mineralisation was discovered at Heron and an historical oxide resource previously defined which remains to be verified. In addition to the supergene mineralisation there is a number of narrow, high grade hits within the primary zone. This area has been very poorly drilled with very few holes extending beneath 150 metres vertical. The majority of the drill holes have intersected significant mineralisation (>2 g/t gold) with better results including:

- **1.9m at 7.1 g/t Au** from 394.1m in HWDA04
- **2m at 70 g/t Au** from 331m in HWDA05
- **1.04m @ 17 g/t Au** from 232.24m in HWDA08

## Heron South

Drilling of the Heron South deposit, below approximately 100 metres vertical depth, is virtually non-existent. There is a zone of about 75 metres beneath the pit where significant mineralisation remains open at depth. Results of the deepest drill holes within this zone include:

- **4m at 7.64 g/t Au** from 121m in HRC205
- **7m at 6.72 g/t Au** from 107m in HRC381

## South Snook

There has been limited drilling beneath the existing pit, with no drilling more than 30 metres below the pit floor. Despite this there are a number of strongly mineralised drill holes beneath the pit including:

- **5m at 13.2 g/t Au** from 139m in DWRC295  
Incl. **3m at 21.1 g/t Au** from 139m
- **3m at 8.68 g/t Au** from 133m in DWRC294
- **3m at 6.99 g/t Au** from 113m in DWRC293
- **3m at 12.2 g/t Au** from 99m in DWRC241





### Omega - Psi

The ore occurs as north-south striking lenses of quartz-pyrrhotite varying from 2–15 metres wide that plunge to the south. Mineralisation was still open at depth when underground mining ceased. The better results from the deeper drilling beneath the existing underground workings include:

- **4m at 29 g/t Au**
- **4m at 18 g/t Au**
- **3m at 9.1 g/t Au**

In addition, numerous high grade intersections have been recorded beneath the Omega North and Psi pits that require additional drilling to assess the underground potential at these prospects.

## Exploration Potential – Base Metals

The Gum Creek greenstone belt is also considered prospective for VMS style base metal mineralisation within an internal sedimentary – intermediate-felsic volcanic sequence, although little work has been carried out within the belt since the mid 1990's. Several known occurrences of copper within the belt confirm the prospectivity of the belt.

The Altair base metal prospect is located in the north central area of the Gum Creek Greenstone Belt, hosted within the 'internal' sediment package close to the fold axis of the Kurralong syncline. Mineralisation to date is predominately 'supergene' copper hosted within a sulphidic black shale unit close to the contact of an intermediate volcanic. Better results from the prospect include:

- **44m at 1.21% Cu** from 56m (ALA005)
- **12m at 1.67% Cu** from 60m (ALRC002)
- **24m at 1.01% Cu** from 64m (ALRC007)

Sporadic anomalous copper and gold associated with variably sulphidic shales have been recorded from broad spaced RAB and limited RC drilling in the Victory–Intrepid area, located approximately 17 kilometres SSE of the Swan Bitter mine. The prospective stratigraphy is interpreted to extend at least 14km long in a NNW trend from the aeromagnetic data. Much of the trend is untested and further exploration is required (systematic drilling +/- ground electromagnetic surveys) to properly assess the potential.

Within the Victory–Intrepid area, Gateway Mining has recently reported significant exploration success at "The Cup" copper prospect, located immediately adjacent the Gidgee tenement package (Figure 2). Better results reported by Gateway include 80m at 0.66% Cu (including 20m at 1.46% Cu) and 45m at 0.74% Cu. The prospect is open at depth, with the down dip extensions of the mineralisation interpreted to extend onto the tenement package.

At the Golden Hinds prospect, located approximately 2.5 kilometres south of the Swan Bitter mine, anomalous copper and zinc (best results of 4m at 0.60% Cu and 4m at 0.49% Zn) have been returned from RAB drilling. To date drilling has defined a 1.5 kilometres long copper anomaly with an 800 metre zinc anomaly slightly offset from the copper.

## Resources

The resources defined total approximately 310,000 ounces of gold (Table 1) which occur in numerous prospects as shown in Figure 2. The sulphide component of these resources is free-milling in contrast to the refractory Wilsons deposit retained by Apex. The resources have not been re-estimated by Panoramic and were reported by Apex in its 2009 Annual Report.

**Table 1: Gidgee Project Resources Summary**

Locality	Measured			Indicated			Inferred			Total		
	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz
Premium – Cascade U/g <sup>(i)</sup>	0	0.0	0	68	10.8	24	62	7.7	15	131	9.3	39
Other U/g <sup>(ii)</sup>	30	10.4	9	87	10.1	28	549	7.4	130	663	7.8	167
Various Open Pits <sup>(iii)</sup>	0	0.0	0	1,048	3.1	103	0	0.0	0	1,048	3.1	103
<b>TOTAL</b>	<b>30</b>	<b>10.4</b>	<b>9</b>	<b>1,203</b>	<b>4.0</b>	<b>155</b>	<b>611</b>	<b>7.4</b>	<b>145</b>	<b>1,844</b>	<b>5.2</b>	<b>310</b>



- (i) Resources estimated by Apex Minerals NL (see [asx.com.au](http://asx.com.au) ASX:AXM) at a 4.5g/t Au lower cut off and reported in their 2009 Annual Report  
(ii) Resources estimated by Legend Mining Limited (see [asx.com.au](http://asx.com.au) ASX:LEG) at a 3 g/t Au lower cut off and reported in their 2006 Annual Report  
(iii) Resources estimated by Legend Mining Limited (see [asx.com.au](http://asx.com.au) ASX:LEG) at a 1.3 g/t Au lower cut off and reported in their 2006 Annual Report

## 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 around 18,000t 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.

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*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 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.*

*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 Thomson 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.*