

Quarterly Report



vision
commitment
results



21 October 2013

ASX: PAN

Quarterly Report for the period ending 30 September 2013

Significant Points – FY2014 Production Guidance Maintained

GROUP

- Safety – Lost Time Injury Frequency Rate of 4.82 at the end of the quarter, two Lost Time Injuries reported
- Group Nickel Production – **5,404t Ni**
- FY2014 production guidance – **20-21,000t of contained nickel maintained**
- Costs – Group payable cash costs of A\$5.65/lb (inclusive of royalties), **US\$5.18/lb**
- Liquid Assets – **\$45 million** at the end of the quarter

NICKEL

Savannah

- Production – **2,142t Ni in concentrate**
- Milled tonnes – **highest throughput of ore tonnes since December 2006**
- Costs – payable cash costs of A\$5.58/lb Ni (inclusive of royalties)
- Projects – second stage tailings storage facility wall lift completed
- Exploration – targets confirmed for next phase of drilling below the 900 Fault

Lanfranchi

- Production – **3,262t Ni in ore, a new quarterly production record**
- Costs – payable cash costs of A\$5.71/lb Ni (inclusive of royalties)
- Exploration – **potential new mineralised channel discovered east of Deacon, further drilling planned**

GOLD

Gidgee

- Bankable Feasibility Study (BFS) ongoing, targeting release in December 2013 quarter
- BFS expanded to consider “Wilsons Only” alternative, targeting increased margins and lower upfront capital cost
- **2013 Resource base of 1.325M oz Au, a 26% increase on 2012; 85% in Indicated Resource category**

Mt Henry (PAN 70%)

- Bankable Feasibility Study ongoing, now targeting release in March 2014 quarter
- Updated Resource modelling on Mt Henry, Selene and North Scotia deposits completed
- **2013 Resource base of 1.71M oz Au, a 17% increase on 2012; 74% in Indicated Resource category**

PGM

- Focus remained on finding a suitable partner for our PGM business

CORPORATE

- Further cost savings and productivity initiatives introduced across the business



Managing Director's Commentary

- **Safety and Environment** – two Lost Time Injuries were recorded at Savannah in the quarter.
- **Liquid Assets** – cash and receivables totalled \$45 million at the end of the quarter, unchanged from 30 June. The **Nickel Division generated a \$9 million operating margin (after Perth Office costs)**. Included in cash outflows was \$1.2 million of BFS expenditure on the new gold projects and net working capital movements (including negative QP adjustments of ~\$1 million).
- **Nickel Division**

Production – Group nickel in concentrate/ore was 5,404t, close to the near record June 2013 quarter. Contained nickel production at Savannah was on budget with a planned reduction in the nickel head grade offset by an increase in tonnes mined and milled, a credit to all Savannah personnel. The **Savannah mill achieved its highest tonnes throughput since December 2006**.

At Lanfranchi, a **new quarterly nickel production record** was achieved by mining 133,971 tonnes of ore at a grade of 2.43% Ni. The Nickel Division is on-track to achieve a record annual production of 20-21,000 tonnes of contained nickel in FY2014.

Costs – the average Group payable unit cash cost increased 7% quarter-on-quarter to A\$5.65/lb, primarily due to the slight reduction in contained nickel production.
- **Gold Division**

Strategy – the strategy with the gold assets is to finish both Bankable Feasibility Studies (BFS) and review the economics of both projects with particular focus on capex and opex assumptions, development and operating risks, funding options and the US\$ gold price and US\$/A\$ exchange rate outlook.

Gidgee – the BFS has been expanded to consider a smaller “Wilsons Only” alternative, targeting increased margins and a lower upfront capital cost. This option contemplates mining the high grade Wilsons Resource and on-site processing to produce a gold concentrate for sale or for further downstream processing on-site to produce gold doré.

Mt Henry – work is progressing well and the target for the completion of the Mt Henry BFS is now the March 2014 quarter.
- **PGM Division** – limited work was undertaken on our PGM assets during the quarter. Our strategy remains to find a suitable strategic partner for these assets.
- **Exploration** – the principal aim of the Group's FY2014 exploration program is to add mine life at both nickel operations:
 - Savannah – targets identified for the next drill program to test the extent of mineralisation below the 900 Fault.
 - Lanfranchi – exploration to target known and potential new mineralisation and to test high priority EM targets. **Follow-up exploration on the possible new mineralised channel east of Deacon is being fast tracked.**
- **Corporate** – the priority continues to make sustainable cost savings and productivity improvements. Initiatives include:
 - Building a Sustainable Business – GPR Delher continues to assist us to improve our business systems and procedures. Their involvement is having a positive impact at both nickel operations and the Perth Office.
 - Major Contracts/Suppliers – all supply contracts and input costs are being reviewed and assistance has been forthcoming from some of our major suppliers to reduce costs.
 - Corporate costs – we continue to identify ways to reduce the cost of managing the business.
 - Partnerships – we are investigating potential partnership opportunities, in both our PGM and gold divisions.
 - Hedging – to protect against a fall in sales revenue in A\$ terms due to a strengthening A\$, in mid-September the Company put on US\$36 million of currency put options at an exercise FX rate of US\$0.9550 for delivery October 2013 to June 2014.



Group Summary

The Panoramic Group A\$ cash margin, on a payable nickel basis, is shown in Figure 1 which records the Panoramic Group payable nickel unit cash costs on a quarterly basis from the September 2011 quarter, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period pricing adjustments).

Figure 1 - Cash Margin & Payable Costs

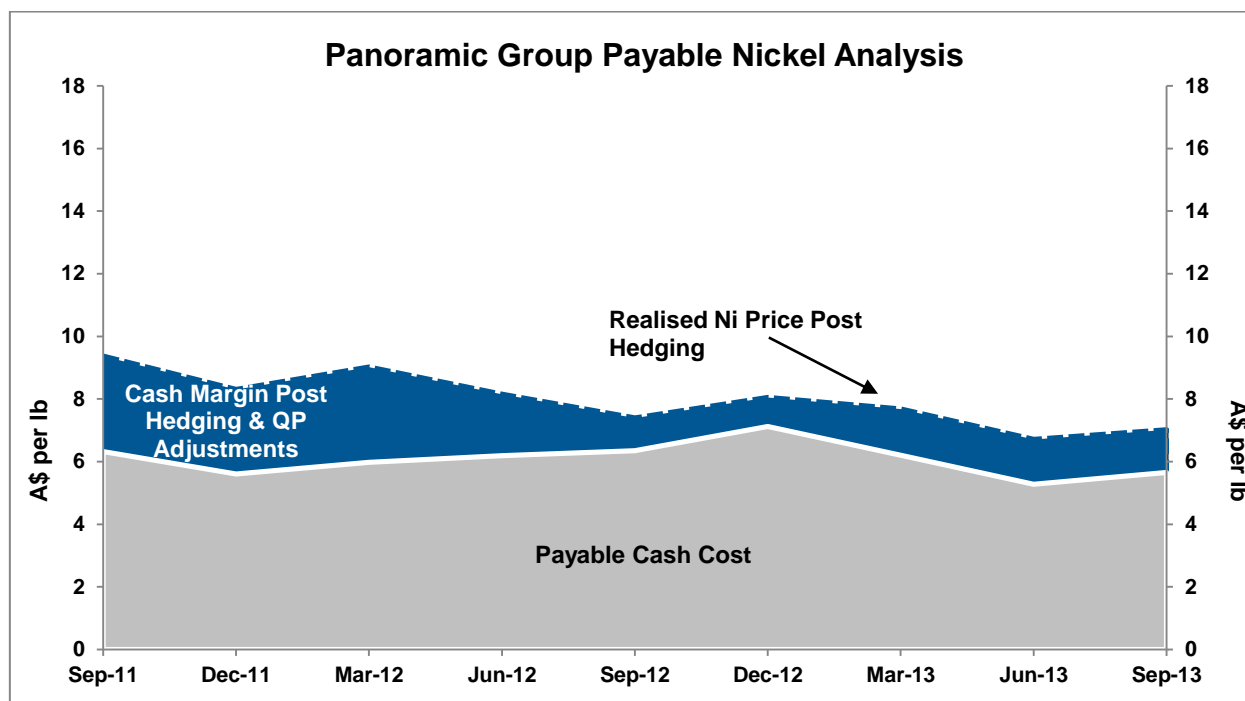


Table 1: Group Nickel Production & Unit Costs

	Units	Savannah 3mths ending 30 Sep 2013	Lanfranchi 3mths ending 30 Sep 2013	Total Group 3mths ending 30 Sep 2013	Total Group Previous Qtr June 2013
Ore Mined	dmt	191,284	133,971	325,255	318,057
Average Mined Nickel Grade	%	1.27	2.43	1.75	1.87
Nickel in Ore Mined	dmt	2,434	3,262	5,696	5,938
Nickel in Concentrate/Ore	tonnes	2,142	3,262	5,404	5,619
Copper in Concentrate/Ore	Tonnes	1,329	281	1,610	1,551
Cobalt in Concentrate/Ore	Tonnes	104	-	104	112
Costs Per Pound Payable Nickel					
Mining	A\$ per lb	3.41	3.49	3.46	3.05
Milling	A\$ per lb	1.62	-	0.70	0.68
Administration	A\$ per lb	1.53	0.58	0.99	1.02
Payable Operating Cash Costs (Mine Gate)	A\$ per lb	6.56	4.07	5.15	4.75
Haulage	A\$ per lb	0.37	0.25	0.30	0.25
Port Charges/Shipping	A\$ per lb	0.25	-	0.11	0.09
Ore Treatment	A\$ per lb	-	1.32	0.75	0.72
Net By-product Credits	A\$ per lb	(2.07)	(0.22)	(1.03)	(0.88)
Royalties	A\$ per lb	0.47	0.29	0.37	0.35
Total Payable Operating Cash Costs^(a)	A\$ per lb	5.58	5.71	5.65	5.28
Total Payable Operating Cash Costs^(b)	US\$ per lb	5.11	5.23	5.18	5.24

(a) Group capital development cash cost for the quarter was A\$0.42/lb. This cost is not included in Table 1. Capital development costs represent capitalised mining cash costs for deposits in production. These costs do not include pre-production costs for deposits being developed for future mining.

(b) Average September 2013 quarter RBA US\$/A\$ settlement rate of US\$0.9165 (Average June 2013 quarter exchange rate was US\$0.9921).



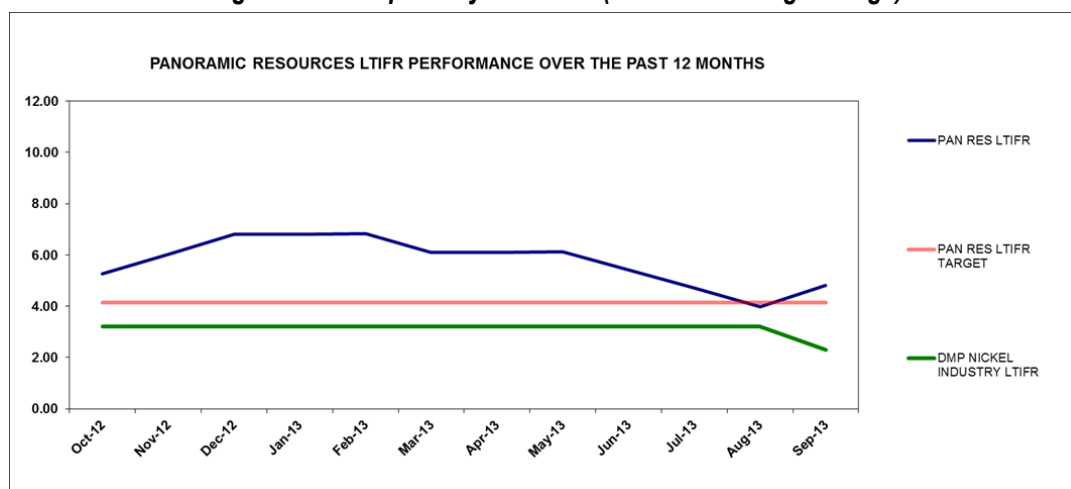
Safety

There were two Lost Time Injuries (LTI) during the quarter, both recorded at Savannah. Safety related milestones during the quarter included:

- “Back to Basics” approach to safety continued with the introduction of safety standards on certain tasks and practices;
- Managers signing off on safety systems and procedures; safety behaviours now linked to performance management; and
- Ongoing incident and hazard investigations and further risk assessment training.

The 12 month moving average Group LTI Frequency Rate (LTIFR) decreased over the quarter to 4.82. Figure 2 shows the Group LTIFR compared to the Group Target of 4.14 and the recently published 2011/12 WA Nickel Industry Average LTIFR of 2.30 from the WA Department of Mines and Petroleum (DMP).

Figure 2 – Group Safety Statistics (12 month rolling average)



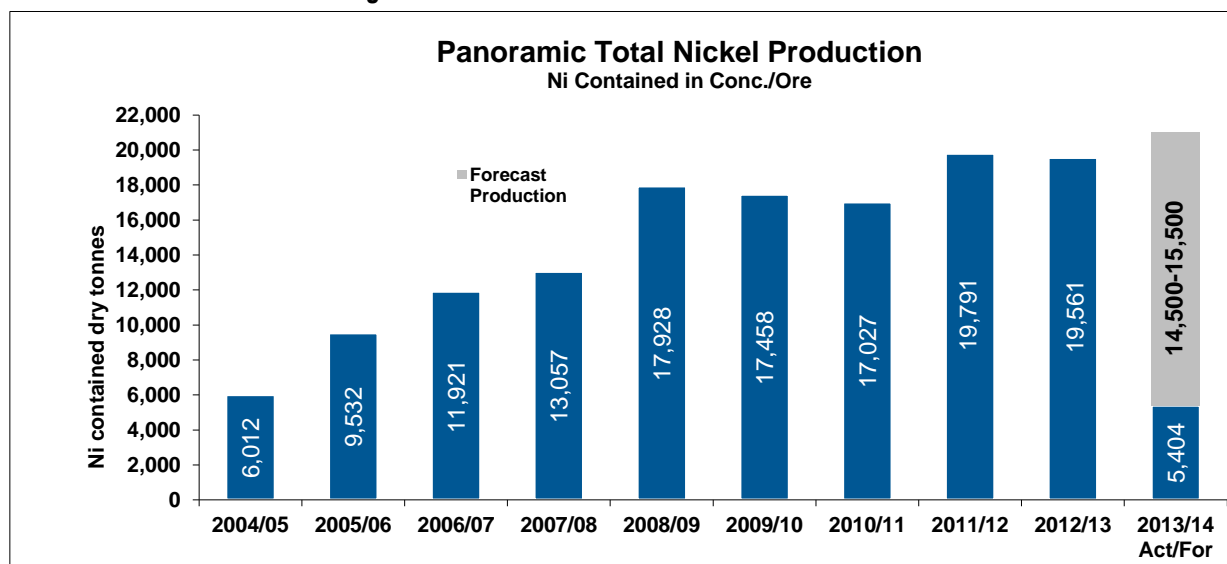
Environment

There were no significant environmental incidents recorded and the operations operated within all statutory regulations and licence conditions during the quarter.

Nickel Division Production – Actual & Forecast

The Nickel Division produced 5,404 tonnes Ni contained in concentrate/ore, which was marginally below the previous quarter. As the September 2013 quarterly production was on budget, the FY2014 Group nickel production guidance has been maintained at 20-21,000 tonnes Ni contained. If this forecast is achieved, it will result in a new annual production record (refer Figure 3).

Figure 3 – Actual and Forecast Nickel Production



Notes

1. Savannah production is based on nickel in concentrate
2. Lanfranchi production is based on nickel in ore



Nickel - Savannah Project

General

Ore production was above budget at the Savannah Project with 191,284 tonnes of ore mined at an average grade of 1.27% Ni. **The mill treated 193,121 tonnes of ore, up 8% on the previous quarter and the highest quarterly throughput since December 2006** when ore production became sourced exclusively from underground.

Three concentrate shipments with a combined 2,173 tonnes of contained nickel were exported to China. As at 30 September 2013, there was a significant inventory of concentrate at Wyndham containing 480 tonnes of nickel waiting to be shipped.

Table 2 – Savannah Project Operating Statistics

Area	Details	Units	3 mths ending 30 Sep 2013	3 mths ending 30 Jun 2013	2012/13 Full Year
Mining	Ore mined	dmt	191,284	180,192	689,551
	Ni grade	%	1.27	1.49	1.29
	Ni metal contained	dmt	2,429	2,685	8,873
	Cu grade	%	0.72	0.73	0.67
	Co grade	%	0.06	0.07	0.06
Milling	Ore milled	dmt	193,121	178,001	686,739
	Ni grade	%	1.27	1.49	1.29
	Cu grade	%	0.72	0.73	0.67
	Co grade	%	0.06	0.07	0.06
	Ni Recovery	%	87.4	88.9	87.1
	Cu Recovery	%	95.9	96.8	96.0
	Co Recovery	%	89.7	91.5	89.9
Concentrate Production	Concentrate	dmt	29,171	30,983	100,615
	Ni grade	%	7.34	7.64	7.66
	Ni metal contained	dmt	2,142	2,366	7,703
	Cu grade	%	4.55	4.12	4.42
	Cu metal contained	dmt	1,329	1,276	4,443
	Co grade	%	0.36	0.36	0.38
	Co metal contained	dmt	104	112	382
Concentrate Shipments	Concentrate	dmt	29,426	29,210	94,680
	Ni grade	%	7.39	7.55	7.56
	Ni metal contained	dmt	2,173	2,206	7,158
	Cu grade	%	4.51	3.97	4.32
	Cu metal contained	dmt	1,328	1,160	3,989
	Co grade	%	0.35	0.36	0.38
	Co metal contained	dmt	104	106	360

Capital Projects

Tailings Storage Facility Wall Lift (Stage 2) – statutory approval was received in November 2012 for a 6m lift on the wall of the existing tailings storage facility. Construction of the lift progressed through the quarter and was completed in mid-October.



Costs

Total site costs of \$23.7 million, including operating and capital, were down 6% on the previous quarter (\$25.3 million). Despite the reduction in costs, the lower nickel head grade resulted in a 6% increase in the average payable unit cash cost (including royalties) to A\$5.58/lb.

Figure 4 – Savannah Total Site Costs

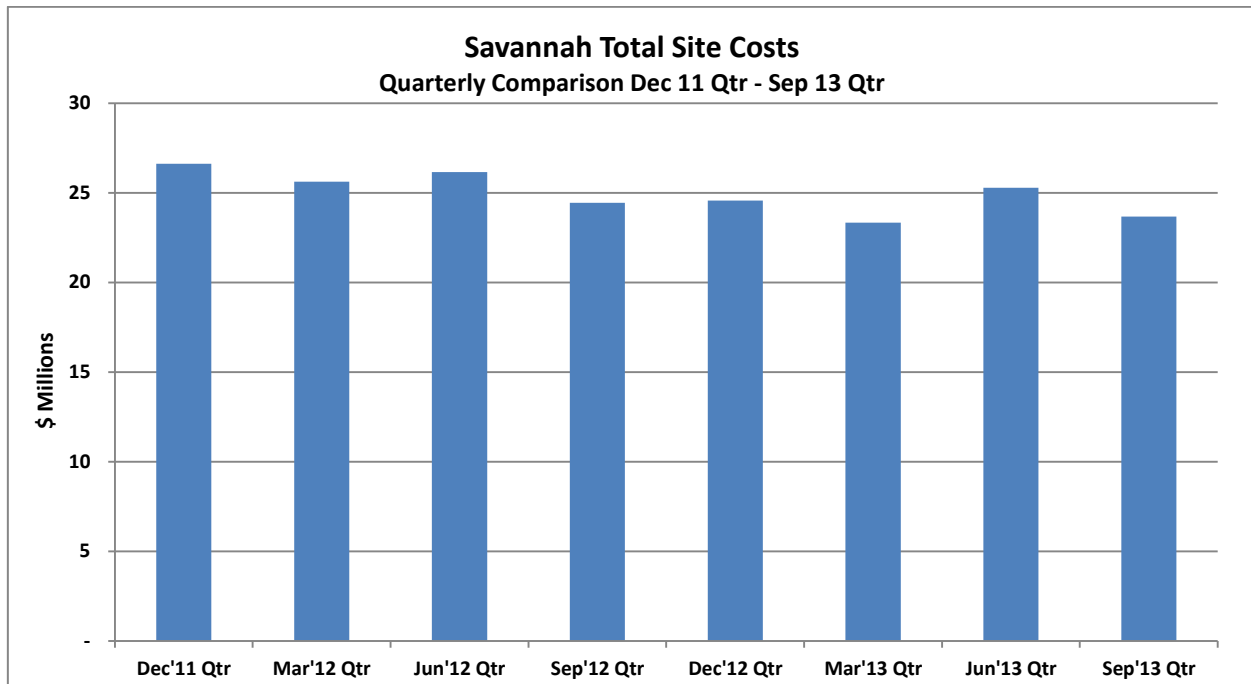


Photo 1: Savannah Mill



Nickel - Lanfranchi Project

General

The Lanfranchi Project produced 133,971 tonnes of ore at 2.43% Ni for 3,262 tonnes Ni contained, **up marginally on the previous quarter and the second quarterly production record in a row.**

Table 3 – Lanfranchi Project Operating Statistics

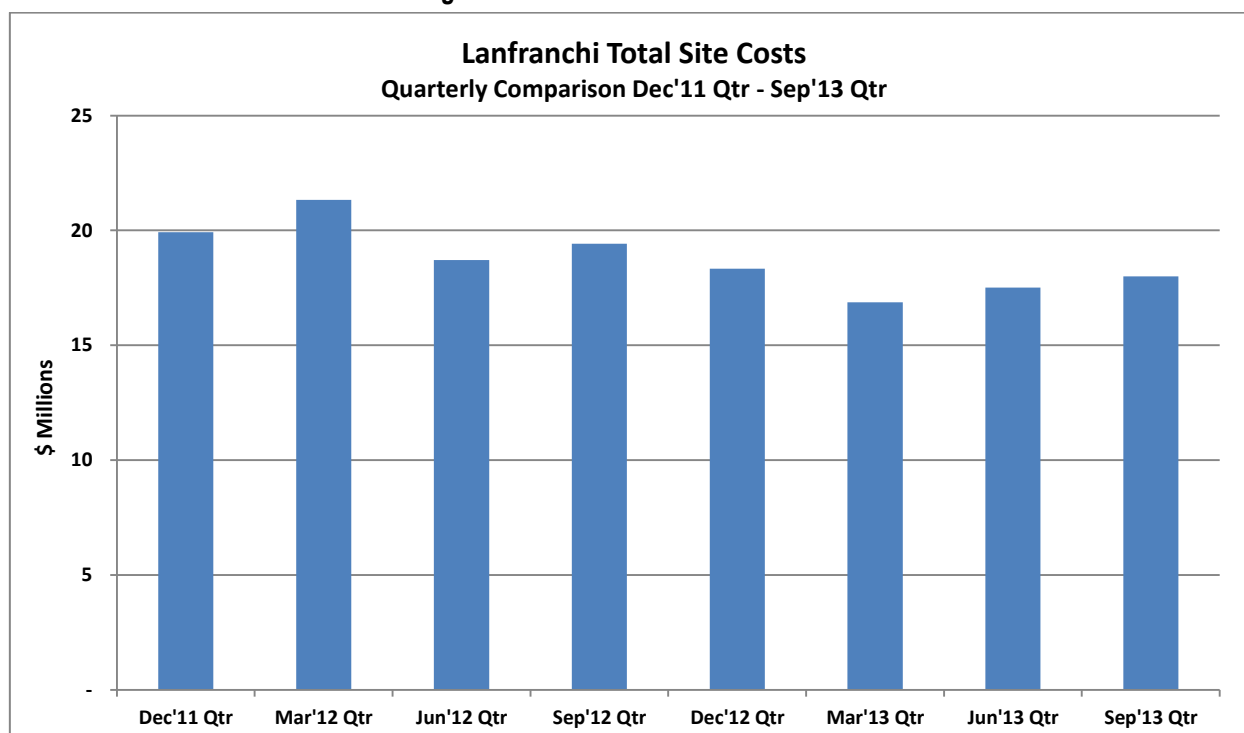
Area	Details	Units	3mths ending 30 Sep 2013	3mths ending 30 Jun 2013	2012/13 Full Year
Mining	Ore mined	dmt	133,971	137,865	520,523
	Ni grade	%	2.43	2.36	2.28
	Ni metal contained	dmt	3,262	3,253	11,858
	Cu grade	%	0.21	0.20	0.20
Ore Delivered	Ore delivered	dmt	136,589	137,254	518,662
	Ni grade	%	2.43	2.42	2.28
	Ni metal contained	dmt	3,325	3,318	11,801
	Cu grade	%	0.21	0.20	0.20

Costs

Total site costs of \$18.0 million, including operating and capital, were 3% above the previous quarter (\$17.5 million). Costs to repair and replace the surface to underground paste line was the principal reason for the slight increase in total site costs at Lanfranchi.

The average payable unit cash cost was A\$5.71/lb compared to A\$5.31/lb in the previous quarter.

Figure 5 – Lanfranchi Total Site Costs





Nickel - Copernicus Joint Venture (Panoramic ~78%)

Copernicus Open Pit

No activity. The Copernicus Project remains on care and maintenance pending recovery in the A\$ nickel price.

Base Metal Exploration

FY2014 Exploration Programs

The principal aim of the Group's FY2014 exploration programs is to **add mine life at both nickel operations**. The geological teams have identified various targets to be tested and a total of \$6 million (excluding rents and rates of \$1.5 million) is to be spent on exploration programs in FY2014, with the majority of work on near mine nickel exploration.

Savannah & East Kimberley Regional

Savannah

Since the completion, in early 2013, of the drill program below the 900 Fault, no additional exploration drilling has been undertaken. The Company is currently planning the positioning of a new drill platform for the next round of drilling below the 900 Fault. It is anticipated that a new exploration drill drive will be developed in the March 2014 quarter. It is also intended to drill a small number of holes from surface north of the Savannah mine to better understand the changing orientation of the Savannah orebody at depth, as identified in the latest drill program.

East Kimberley JV (EKJV) (Panoramic ~63% or 80%)

No field activities were undertaken on the East Kimberley JV.

Lanfranchi

In F2014, the following areas are to be explored at Lanfranchi:

- Up and down-plunge of the new Jury-Metcalf Resource;
- Down-plunge of the Lanfranchi orebody, where the potential for high nickel grades is very promising;
- Down-plunge of Deacon, targeting the strong electromagnetic (EM) plate identified from previous drilling;
- East of Deacon, targeting what is potentially a new channel of mineralisation; and
- Tramways Overturned Dome, targeting this prospective area with seismic and EM surveys.

Jury-Metcalf

Infill grade control and near resource extensional drilling continued during the quarter. The deposit remains open up and down plunge.

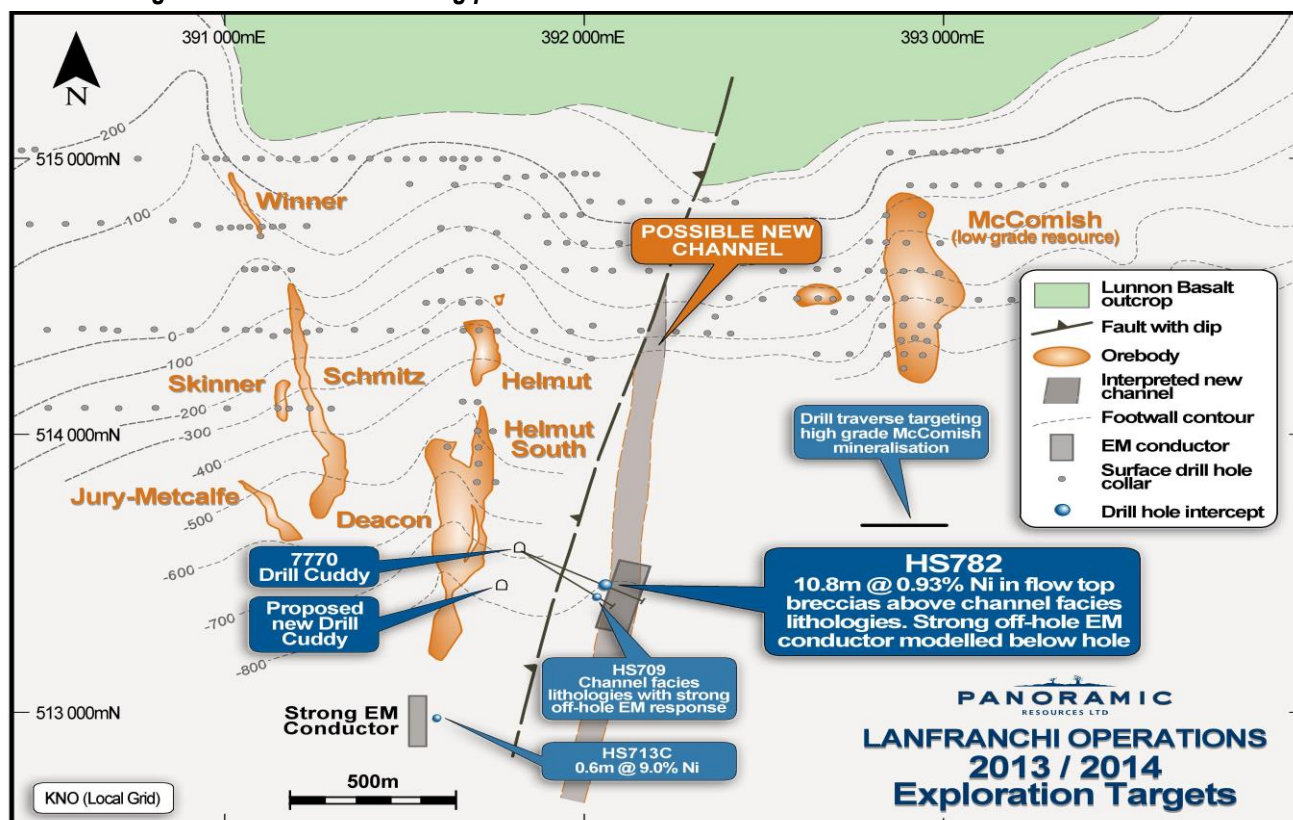
Potential new Mineralised Channel east of Deacon

During a break in the Jury-Metcalf drill program, a single follow-up hole (HS782) to test for a potential new channel feature located to the east of the Deacon orebody (*Figure 6*) was completed. This hole is 35m to the north-east of drill hole HS709 and intersected **10.8m grading 0.93% Ni** in what is believed to be the flow top breccia sequence of the komatiite occupying the interpreted channel position. The down-hole electromagnetic (DHEM) survey data from HS709 and HS782 was modelled and indicated a strong, off-hole EM conductor more or less directly below the flow top mineralisation within the interpreted channel position.

As detailed in the ASX announcement of 10 October 2013, **the latest drill result to the east of Deacon is considered significant as the high MgO channel facies komatiite, strong off-hole EM conductors and low tenor nickel sulphide mineralisation have all now been identified.**

The Company intends to mobilise a second drill rig to Lanfranchi before the end of 2013 to continue testing the new mineralised channel concept and to test other exploration targets, including the strong EM anomaly located down-plunge of Deacon. An exploration drill cuddy has already been established at the base of the Deacon decline and a drill rig is being sourced.

Figure 6 – Plan View showing potential new channel feature located to the east of Deacon



Cowan Nickel Project, WA (Panoramic holds 100% nickel rights)

No activity was undertaken. There remains a further 17 drill targets to be tested.

Drake Resources Exploration Alliance - Scandinavia

Panoramic and Drake Resources Limited (Drake) have an alliance to identify, explore and develop base and precious metal opportunities across Scandinavia. Three base metal JV Projects are currently active in Norway at Løkken, Sulitjelma and Hersjo.

Norway (Løkken, Sulitjelma and Hersjo joint ventures)

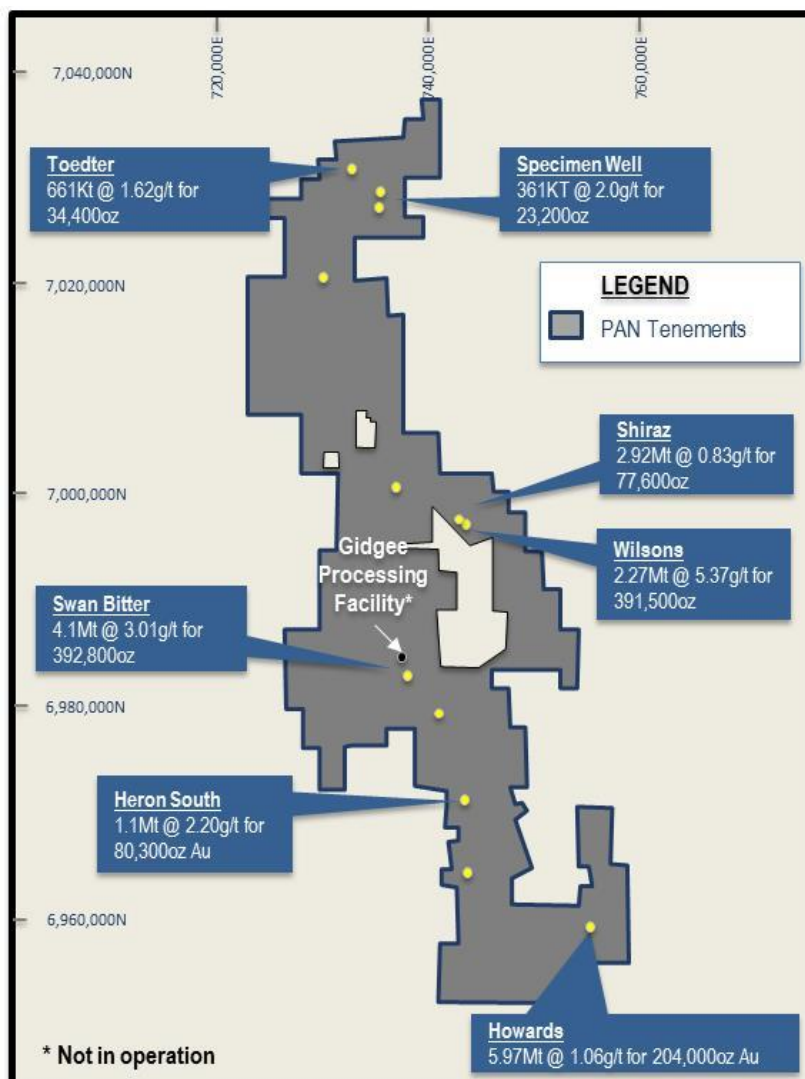
Several high priority drill targets have been identified on the Hersjo and Løkken joint ventures. Panoramic and Drake are currently examining options to progress both programs. Drilling began in September 2013 to drill test the largest and highest priority target within the Hersjo JV. Further details on this drill program can be found in Drake's ASX announcement of 19 September 2013.

Gold - Gidgee Project

Background

The Gidgee Gold Project is located 640km NE of Perth and 130km SW of Wiluna and covers approximately 1,200km² of the Gum Creek greenstone belt. The Company is currently conducting a Bankable Feasibility Study (BFS) at Gidgee based on the Mineral Resources shown in Figure 7.

Figure 7: Gidgee Tenement area highlighting the Mineral Resources subject to the BFS



Bankable Feasibility Study (BFS)

As part of the Gidgee BFS, the Company commenced an extensive drill program in December 2012. The targeted outcomes of the BFS drill program were to:

- upgrade Inferred Resources to an Indicated Resource Category and to improve confidence in the BFS Resource base;
- gather geotechnical and metallurgical information for mine planning, plant design and flowsheet optimisation; and
- complete groundwater investigations and preliminary water balances.

The drilling was completed at Wilsons in August 2013, and comprised a total of 159 drill holes for 40,064m. Following the BFS drill program, new resource models were completed for the Wilsons, Howards and Shiraz deposits. For both Howards and Shiraz, ordinary kriged (OK) and multiple indicator kriged (MIK) estimates were completed. For Wilsons, an ordinary kriged (OK) estimate was completed.

On 16 September 2013, the Company released an update on the Gidgee BFS drill program and associated work streams and on the decision to expand the BFS to consider a smaller, higher grade development alternative called "Wilsons Only", targeting an improved internal rate of return (IRR) from increased margins and lower capital intensity.

This new option involves mining the high grade Wilsons Resource via traditional underground mining methods, processing ore on site to produce a gold concentrate which would either be (1) sold to a third party, or (2) processed on site via bacterial heap leaching to produce gold dore. The use of heap leaching is expected to result in significant capital and operating cost savings compared to the August 2012 Scoping Study project parameters, as shown in Table 4:

**Table 4 – Gidgee Gold Project - Key Parameter Comparisons**

Item		August 2012 Scoping Study*	Wilsons Only Concept September 2013 (heap leach on site)
Ore Milled	tpa	1.05M	~300k
Mill gold head grade	g/t	3.15	5.5-6.0
Gold produced	k oz/yr	80-90	45-50
Cash Cost (C1)	A\$/oz	870	750-800
Upfront Capital Costs	A\$M	127	60-70

*Results of August 2012 Gidgee Scoping Study

The Wilsons Resource is located 14km from the existing Gidgee infrastructure (600,000tpa processing plant, on care and maintenance). The July 2013 Wilsons Resource estimate of 391,500oz Au (an increase of 66,500oz) is contained within three separate west-dipping shoots, which dip at 45 to 52 degrees on a sheared sediment-dolerite contact.

The new Resource models have collectively increased the combined Gidgee Project Resource base by 125,000oz Au or 26% to a new total of 1.325M oz Au. Significantly, 85% of the Resources are now classified in the Indicated Resource category (*refer Appendix 2*) which has increased the level of confidence around the Resources and in particular on the increase in the amount of gold which could support a stand-alone operation.

Other BFS work streams progressed during the quarter, in particular the surface water and groundwater studies. Additional flotation testwork on the Wilsons Only option has been completed to fine tune the flow-sheet design and detailed mine planning for Wilsons open pit and underground mining has also progressed well.

The Company is targeting the completion of the Gidgee BFS in the December 2013 quarter.

BFS Drill Program

The Wilsons drill program was completed in August 2013. Results from the Wilsons drill program not previously reported are listed in Appendix 1. The more significant highlights are shown below.

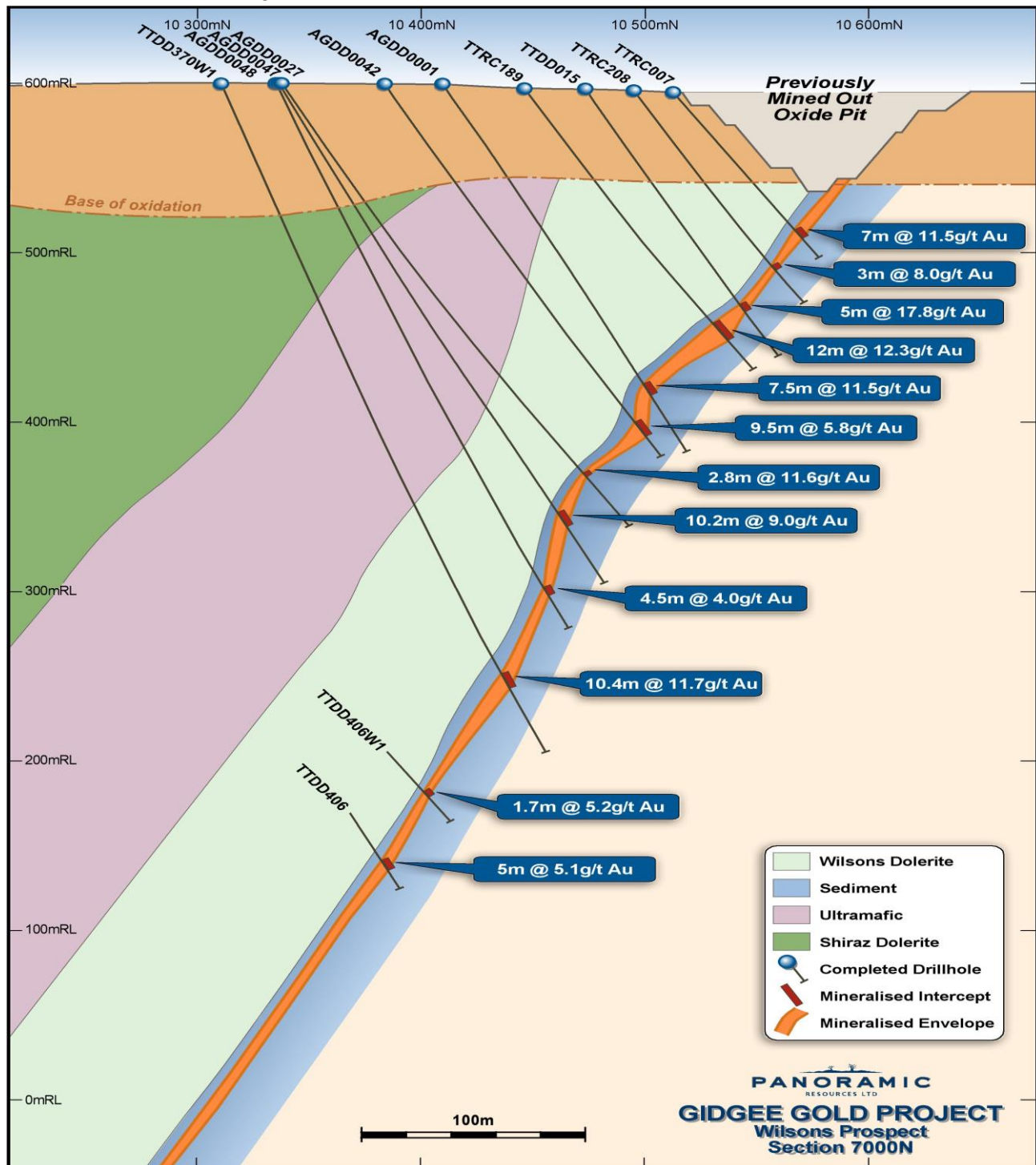
Wilsons (open pit and underground)*

- 3.90m @ 11.68 g/t Au (TTDD403W6) from 511.35m and 3.25m @ 4.54 g/t Au from 530m
- 4.00m @ 5.08 g/t Au (TTDD406)
- 1.70m @ 5.21 g/t Au (TTDD406W1)

* all Wilsons intervals are down-hole lengths, but effectively equate to a true width



Figure 8 – Wilsons Mineral Resource (Cross Section 7000mN)





Gold – Mt Henry Joint Venture (Panoramic 70%, Matsa 30%)

Panoramic is currently undertaking a Bankable Feasibility Study on the Mt Henry Project. The Mt Henry Project tenements cover 135km² and are located south of Norseman in Western Australia.

Bankable Feasibility Study (BFS)

BFS Drill Program and Resource Modeling

The first step of the BFS was a ~10,000m drill program which commenced in December 2012 and was completed in March 2013. This drill program was designed to provide geotechnical data and metallurgical test work material to complete the BFS and to infill the Inferred areas of the Mt Henry Resource, allowing these areas to be reclassified as an Indicated Resource. The majority of the drilling (~7,000m) was focused on the Mt Henry lode with the balance on the Selene and North Scotia deposits.

During the quarter, new Resource models for Mt Henry, Selene North Scotia were completed using the latest BFS drill data (Figures 9, 10 and 11). In addition, an extensive program of metallurgical testwork commenced using drill core from the BFS drill program.

The new Mt Henry and Selene Resource models are reported at lower cut-off grades in order to delineate and quantify the extensive areas of below 1g/t Au mineralisation at each deposit. Separate models were developed using 0.4g/t, 0.6g/t and 1.0g/t Au cut-off grades. **Using a 0.4g/t cut-off grade, on a 100% basis, the combined 2013 Mt Henry Project Resource now stands at 45M tonnes at 1.2g/t Au for 1.71M oz of Au, an increase of 250,000 ounces of gold on the 2012 Mt Henry Project Resource Statement.** Greater than 74% of the Resources is now classified in the Indicated Resource category (refer Appendix 2).

Figure 9 – Mt Henry Orebody (Cross Section 9350mN)

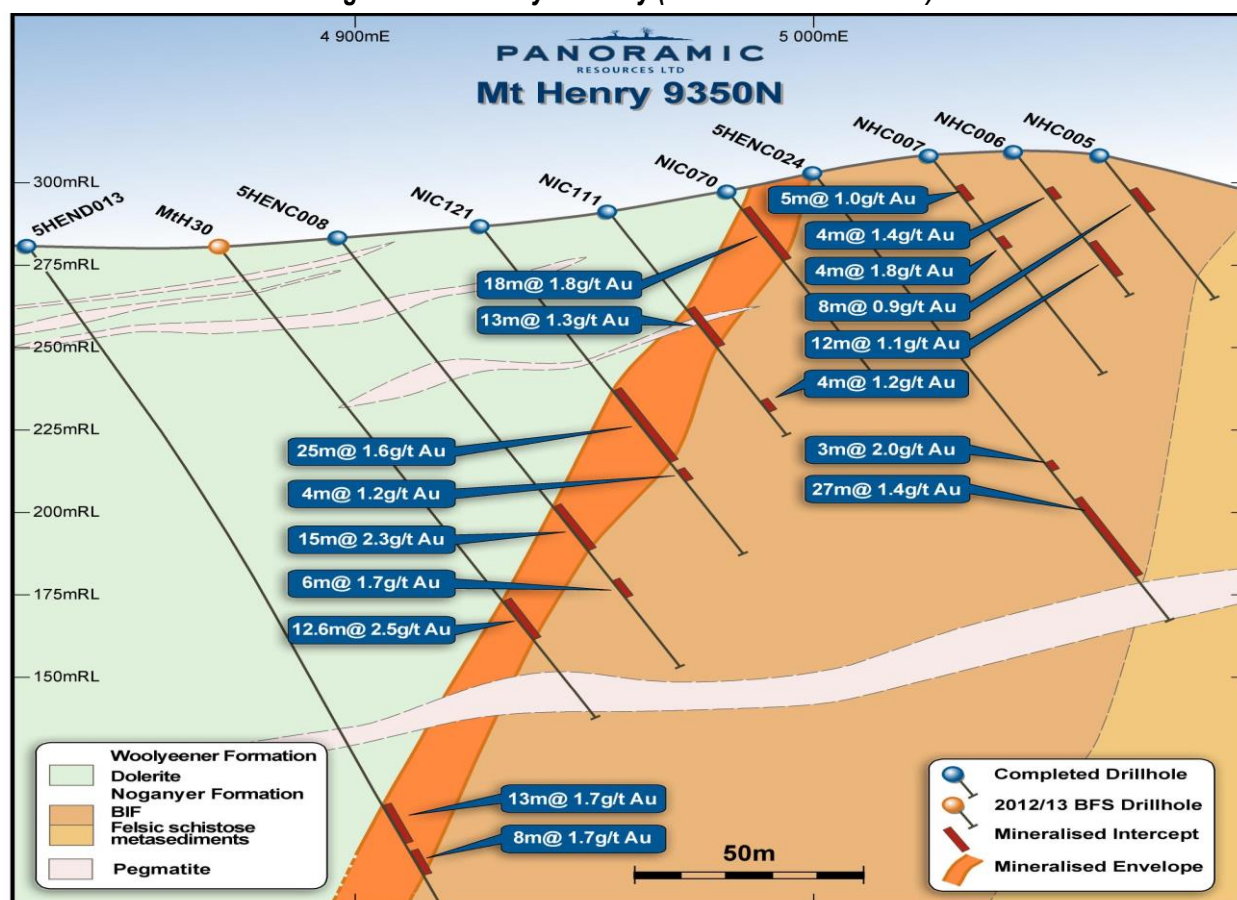


Figure 10 – Selene Orebody (Cross Section 5000mN)

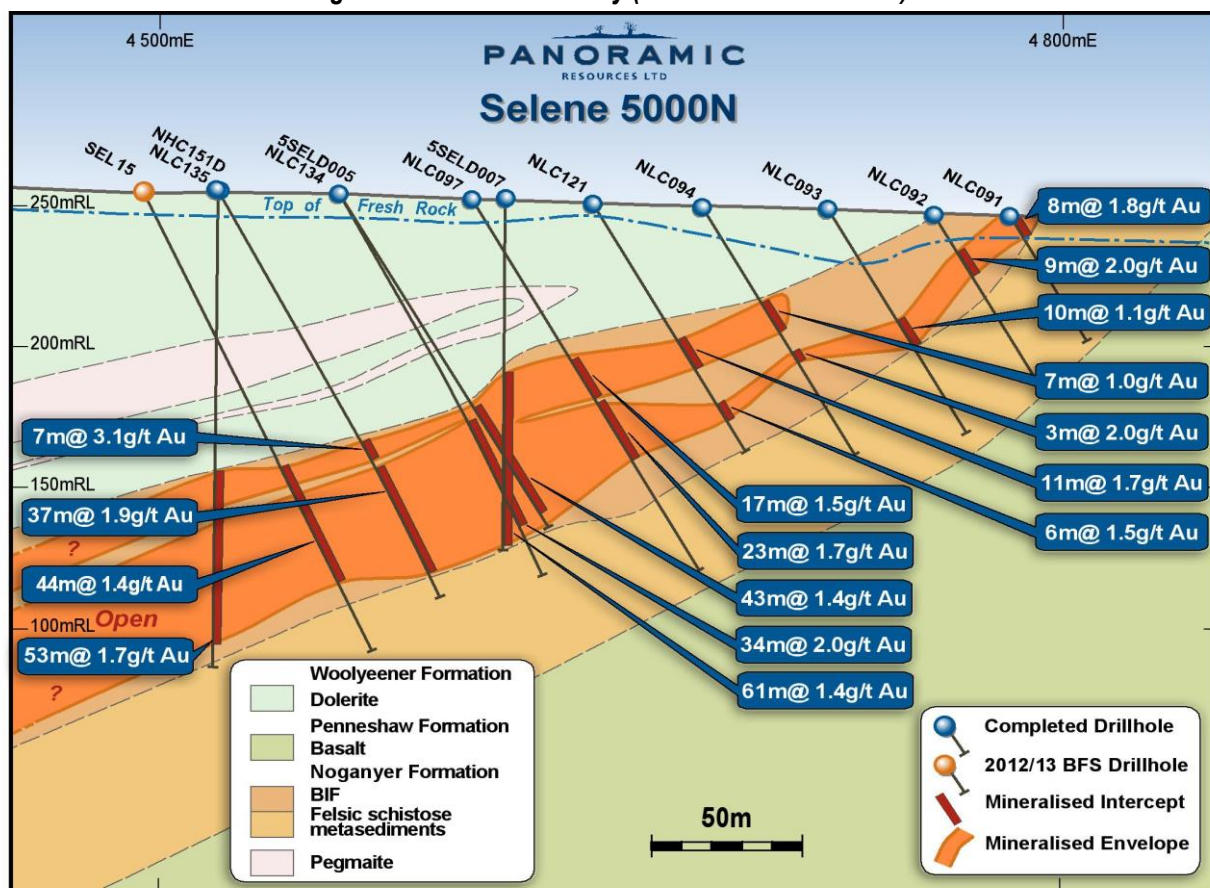
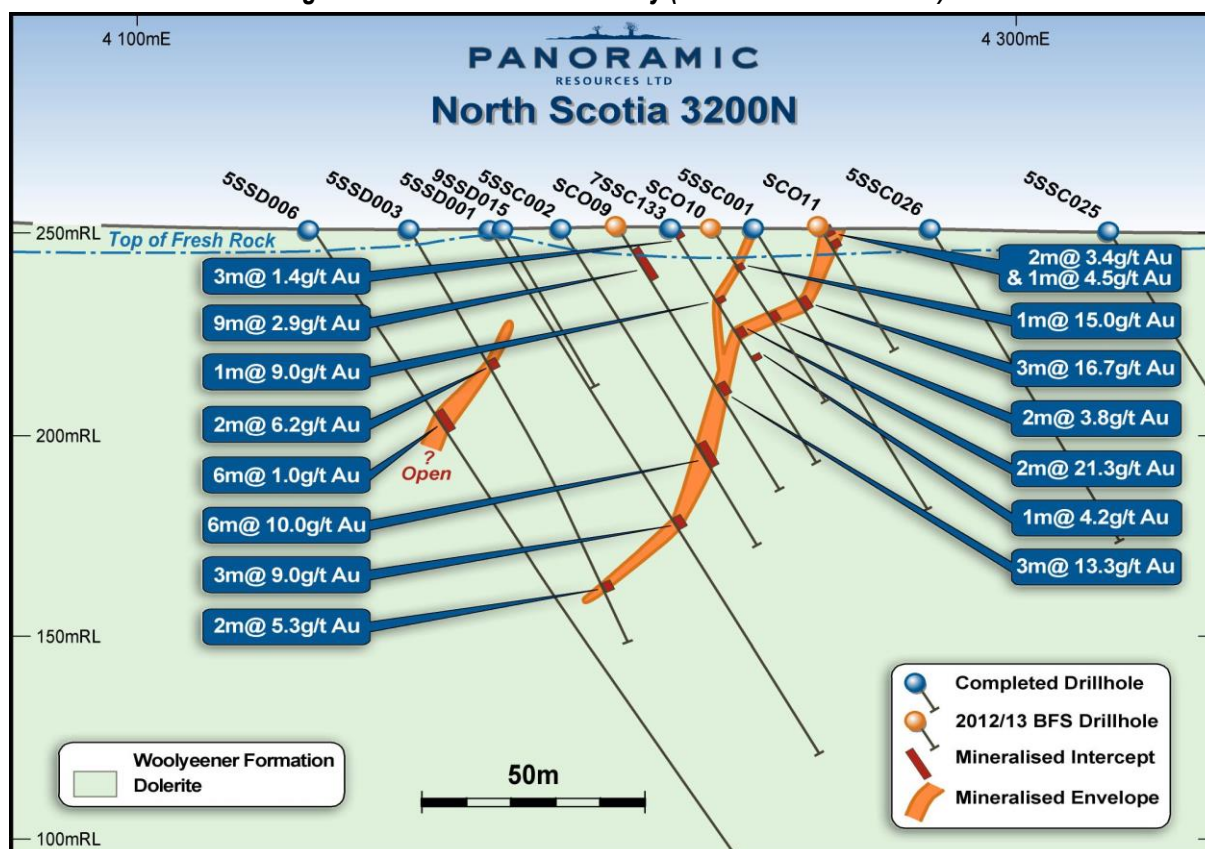


Figure 11 – North Scotia Orebody (Cross Section 3200mN)



**Bankable Feasibility Study (BFS) – Ongoing Work Streams**

Over the course of 2013, the Joint Venture has run several work streams in conjunction with the BFS drill program and Resource modeling program. Now that the BFS drill program and Resource modeling phase of the BFS program is finished, the priority is now on completing:

- *Environmental Baseline Studies* – most baseline studies are now well advanced and it is anticipated that the remaining work on geochemistry, groundwater impacts of open pit mining and mine closure planning will be completed in the December 2013 quarter. This will form the basis of a Mining Proposal which is planned to be lodged with the State Government in early 2014;
- *Metallurgical testwork* – comminution and preliminary gold recovery work at various grind sizes has started. In addition, X-Ray Diffraction Analysis (XRD) work on mineralogy and gold deportment is well advanced. Further work on the pre-concentration of sulphides via flotation is to commence in the December 2013 quarter; and
- *Site planning* – site layouts with respect to surface water drainage and potential tailings storage and waste dump locations has been finalised.

In light of the work still required to complete the BFS, the Joint Venture is now targeting the completion of the Mt Henry BFS in the March 2014 quarter.

Mt Henry Regional Exploration JV (Panoramic 70%, Matsa 30%)

At the same time as the Company acquired a 70% interest in the Mt Henry Gold Project, Panoramic and Matsa Resources Limited (“Matsa”) formed a separate regional exploration Joint Venture to conduct greenfields exploration on other leases located within the Mt Henry tenement area. Previous exploration by Matsa had identified a number of targets worthy of follow-up testing. Testing of these targets commenced during the quarter.

- *Abbotshall South* – twelve reverse circulation (RC) holes for 1,185m were completed on interpreted structural and geochemical targets 3-7km south of the Abbotshall Mine;
- *Lake Kirk* – two RC holes for 195m were completed, targeting an Induced Polarisation (IP) anomaly close to the historic Lake Kirk workings. No significant assays were returned, however, a number of anomalous composite samples are to be re-submitted for fire assay prior to final evaluation;
- *Mt Thirsty* – a moving loop electromagnetic (MLEM) survey was completed over part of the mafic-ultramafic complex and has identified a strong anomaly at depth. The anomaly, which has a modeled 200 milli-second time constant, is more or less coincident with the magnetic anomaly interpreted to be sourced by the more basal mafic-ultramafic lithologies of the Mt Thirsty Sill. The coincidence of the electromagnetic (EM) and magnetic anomalies, coupled with associated nickel and platinum group elements (PGE) soil anomalism make this a high priority drill target. Follow-up drilling at Mt Thirsty is planned in the December 2013 quarter after all regulatory permits are in place.

Gold – WA Exploration Projects (ex-Magma)

On 19 April 2013, the Company farmed out the Lake Grace and Griffins Find exploration projects to Auzex Exploration Limited (“Auzex”). The Lake Grace and Griffins Find projects were acquired as part of the off-market takeover of Magma Metals Limited. The tenement package is situated in the south west of Western Australia, around the regional community of Lake Grace, to the south of Auzex’s existing Tampia Gold Project.

This transaction provides for focused exploration on Panoramic’s non-core assets allowing the Company to prioritise its exploration activities on its existing nickel operations and more advanced gold and PGM projects, while maintaining a share of any future exploration success at Lake Grace and Griffins Find.

Auzex has begun evaluation work on the tenement package prior to commencement of exploration activities.



PGM – Thunder Bay North Project

The Thunder Bay North (“TBN”) Project is located near Thunder Bay in northwest Ontario, Canada. The advanced exploration project claims cover an aggregate area of 40,816 hectares (refer Figure 12). The TBN Project Resource contains **10.4Mt at 1.13g/t Pt and 1.07g/t Pd for ~0.4Moz Pt and ~0.4Moz Pd** (refer Appendix 2) with exploration potential at depth and along strike. Since the Company acquired the project, work has primarily focused on optimising the process flowsheet. Limited field work was undertaken during the quarter.

Figure 12 – Thunder Bay North Project: Plan View of Mineral Resource Area

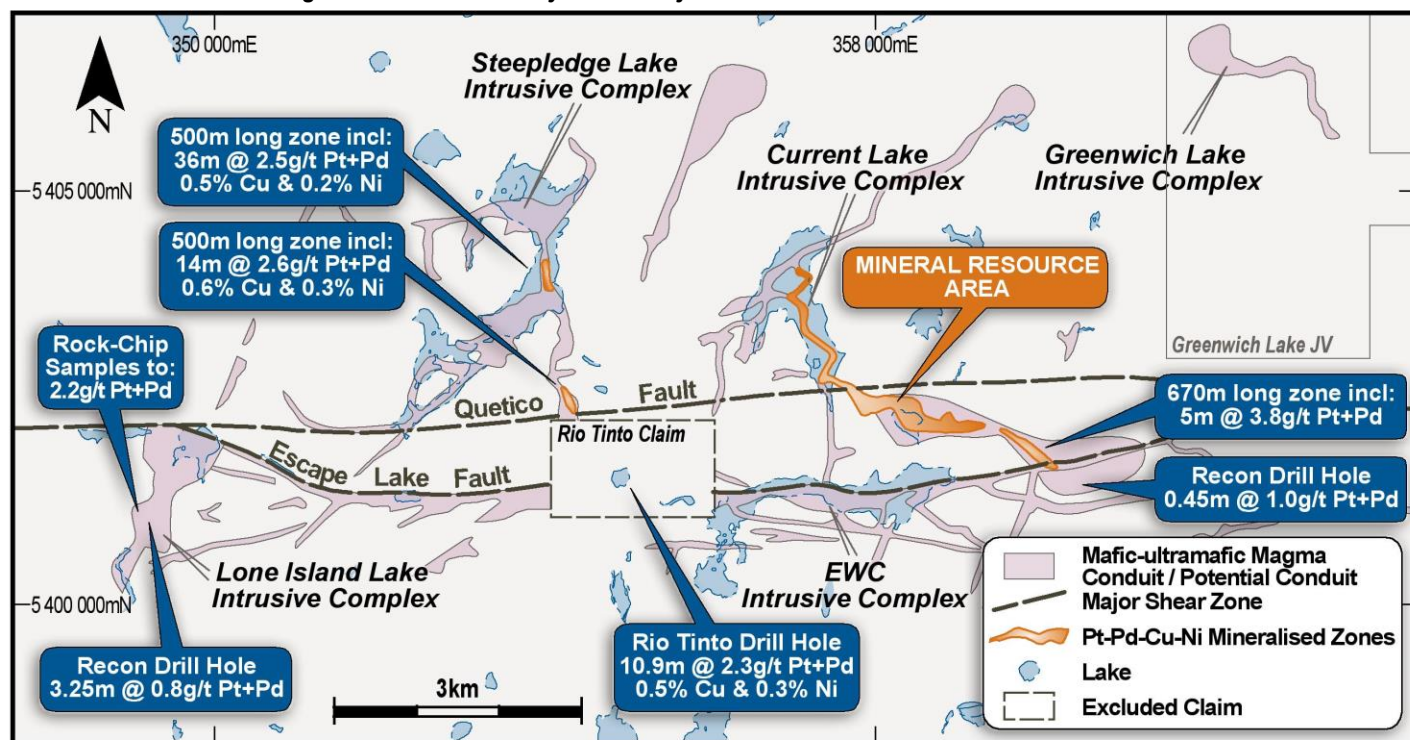
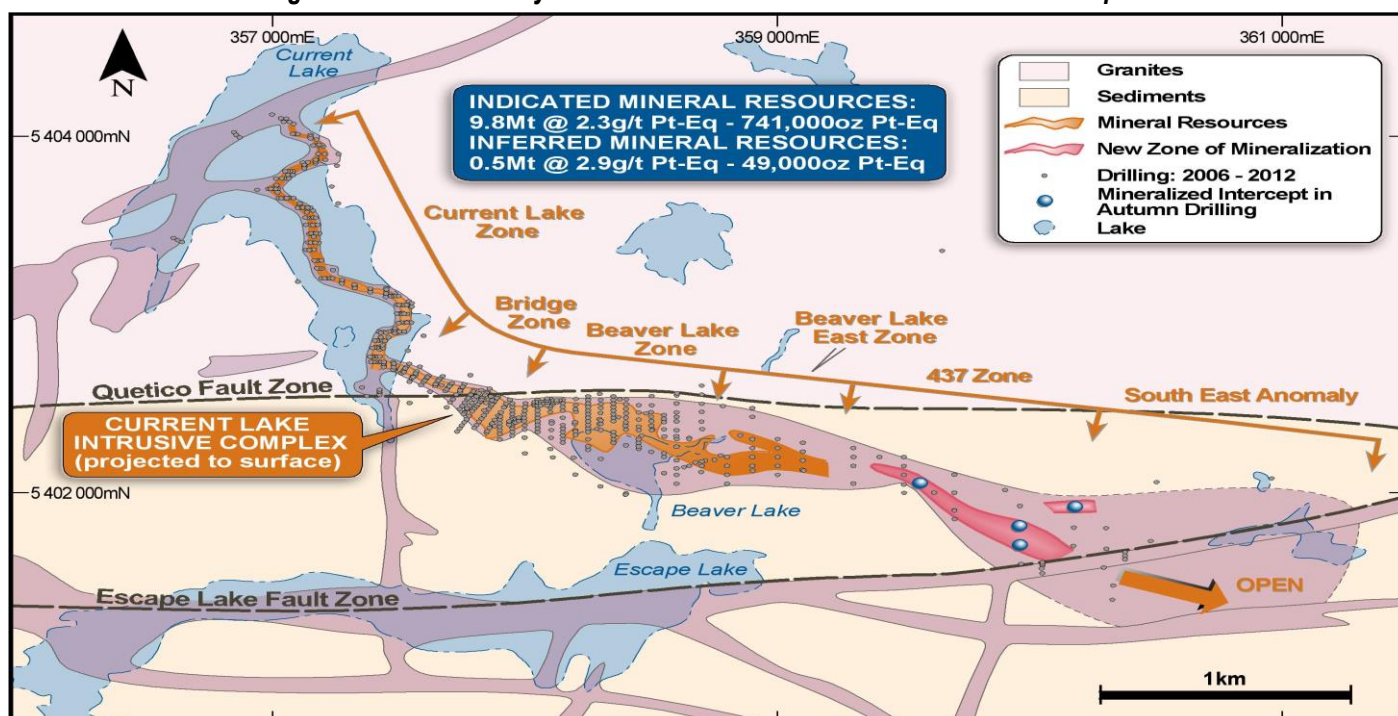


Figure 13 – Thunder Bay North: Plan View of Current Lake Intrusive Complex

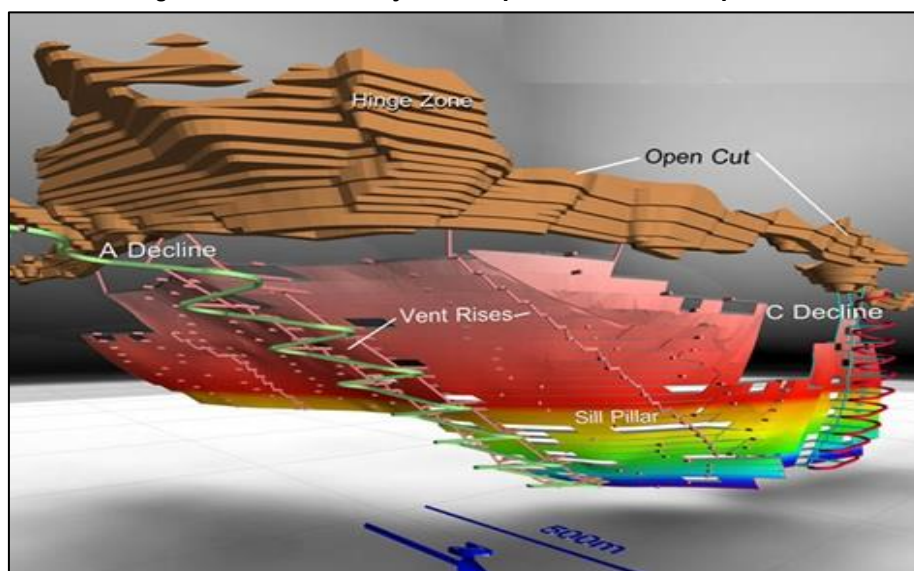




PGM – Panton Project

Panton is located 60km south of the Savannah Nickel Project in the East Kimberley region of Western Australia. **Panton is a significant PGM Resource containing ~1.0Moz Pt at 2.2g/t and ~1.1Moz Pd at 2.4g/t (refer Appendix 2)** with exploration potential at depth and along strike.

Figure 14 – Panton Project – Proposed Mine Development



Panoramic considers the Panton Project to be a quality PGM development asset which fits within the Company's commodity diversification and growth strategy. In March 2012, the previous owner announced the results of a review of the 2003 Bankable Feasibility Study Review (2012 BFS Review). Panoramic is assessing the 2012 BFS Review to:

- better understand the geology;
- review the proposed flowsheet;
- determine if additional mining and processing trials need to be undertaken; and
- identify and qualify the possible synergies with our Savannah operations, 60km to the north.

The Company believes that it can add significant value to the Panton Project through the optimisation of mining and processing options and identifying synergies with the Savannah Project ie. power, processing, logistics and personnel.

No field activities were undertaken on the Panton Project during the quarter.

Group Resources & Reserves Tables

On 13 September 2013, the Company released the Group's Resource and Reserve Tables as at 30 June 2013. Key points include:

- Gold Division Resources - **2.52Moz contained Au, up 450,000oz Au on 2012, a 22% increase;**
- PGM Division Resources - 2.8Moz contained Pt and Pd (1.4Moz Pt and 1.4Moz Pd);
- Nickel Division Resources – 186,800t contained Ni, 38,400t contained Cu and 3,200t contained Co; and
- Nickel Division Reserves – 64,100t contained Ni, 22,500t contained Cu and 1,900t contained Co.

The Nickel Division's base metal reserves have decreased from 30 June 2012 from a combination of:

- depletion of mine reserves over the 12 months following the Group's FY2013 production of 20,731t contained Ni in ore;
- a review of supporting technical assumptions (ie. geological understanding, cut off grades); and
- changes in the commodity price and exchange rate assumptions.

The 2013 Group Resources and Reserves Table is shown in Appendix 2.



Corporate

Liquid Assets & Debt

Cash on hand at the end of the quarter was \$20 million plus receivables of \$25 million, **for a total of \$45 million in current liquid assets**. The operations, inclusive of Perth Office costs, **generated a \$9 million operating margin in the quarter** before net working capital movements. Significant expenditure outside normal operating and sustaining capital included:

- \$1.1 million – BFS drilling and other studies at the Gidgee Gold Project
- \$0.1 million – BFS drilling and other studies at the Mt Henry Gold Project
- \$0.8 million – Savannah Tailings Storage Facility (TSF) dam wall lift
- \$0.5 million – mid-life rebuilds of underground mobile equipment

Working capital movements included ~\$1 million in payments to customers due to negative quotational period (QP) pricing adjustments for concentrate/ore deliveries made in the June 2013 quarter and a ~\$3 million increase in receivables due to the timing of the Savannah September shipment, where full payment from the customer was received in early October after the late loading and departure of the vessel. At 30 September 2013, Savannah had 480t Ni contained in stockpiled concentrate (valued at ~\$5 million) which was recognised as inventory and valued at cost. The sales revenue on this concentrate, which has since been shipped, will be booked in the December 2013 quarter.

Group finance leases on mobile equipment and insurance premiums at 30 September 2013 totalled \$9.6 million.

Cost Savings and Productivity Initiatives

To ensure that the nickel business remains competitive in times of weaker commodity prices, the Company has already introduced and is implementing further initiatives to achieve cost reductions and productivity improvements across all business divisions.

Positive results of the cost savings and productivity initiatives are being realised, with total costs in the Nickel Division down compared to 2012. Perth Office costs are also significantly lower in 2013 compared to 2012. **Identifying and achieving a lower cost base together with improving productivity remains a high priority.**

Hedging

The Company took advantage of a fall in the diesel fuel price in July and purchased 4.4 million litres of A\$ diesel call options (basis 500ppm Gasoil Price) at an average exercise price of A\$0.88/litre for delivery August 2013 to June 2014. To partially offset the cost of the put options, 2.2 million litres of A\$ diesel put options were sold (basis 500ppm Gasoil Price) at an exercise price of A\$0.65/litre for delivery August 2013 to June 2014.

In September 2013, the Company purchased US\$36 million of currency put options exercisable at US\$0.9550 for delivery October 2013 to June 2014. To offset the cost of the put options, the Company sold US\$36 million of currency call options exercisable at US\$0.848 for delivery October 2013 to June 2014. Currently, the Company is unhedged on the US\$ nickel price.

Table 5: Group Hedge Book – A\$ Mark-to-Market Valuation as at 30 September 2013

Commodity	Mark-to-Market 30 Sep 2013
Bought A\$ Diesel Call Options	-
Sold A\$ Diesel Put Options	-
Bought US\$ Currency Put Options	\$0.4 million
Sold US\$ Currency Call Options	(\$0.3 million)
Total Mark-to-Market	\$0.1 million

Table 6: Group Hedge Book – Delivery Profile as at 30 September 2013



Commodity	Quantity 30 Sep 2013	Average Price/Rate 30 Sep 2013
<u>Diesel</u> - Bought A\$ Diesel Call Options (delivery Oct 2013-Jun 2014)	400,000litres/mth	A\$0.88/litre
Sold A\$ Diesel Put Options (delivery Oct 2013-Jun 2014)	200,000lites/mth	A\$0.65/litre
<u>US\$A\$ FX</u> - Bought US\$ Put Options (delivery Oct 2013)	US\$4 million	US\$1.00 FX
Bought US\$ Put Options (delivery Oct 2013-Jun 2014)	US\$36 million	US\$0.9550 FX
Sold US\$ Call Options (delivery Oct 2013)	US4 million	US\$0.88 FX
Sold US\$ Call Options (delivery Oct 2013-Jun 2014)	US36 million	US\$0.84875 FX

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 **19,561t of nickel contained in FY2013** and is forecasting to produce between **20,000 and 21,000t of nickel in FY2014**. Panoramic is an S&P/ASX 300 Index Company with a solid balance sheet, no bank debt and a growing nickel, gold and PGM resource base, employing more than 400 people (including contractors).

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic subsequently acquired the high-grade Wilsons Project located within the Gidgee tenement package as well as a 70% interest in the Mt Henry Gold Project. Panoramic released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee and released a positive Scoping Study on the Mt Henry Project in December 2012. Technical studies for the Mt Henry Bankable Feasibility Study have commenced.

The Company has expanded into Platinum Group Metals (PGM) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley and the Thunder Bay North PGM Project in Northern Ontario, Canada.

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

For further information contact:
Peter Harold, Managing Director
+61 8 6266 8600

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.

Additional Competent Persons disclosures are given in Appendix 2.



Appendix 1– Drilling Assay Results Tables

Gidgee Intercepts

Hole	Type	East	North	RL	Dip	Azi	From	To	Intercept	As (ppm)	Gram Metres	Notes	
WILSONS													
	TTDD403W2	RCD	744159	6996571	593	-67	75	495.30	496.35	1.05m @ 1.46 g/t	1920	1.5	
								506.40	509.15	2.75m @ 1.63 g/t	6758	4.5	
	TTDD403W3	RCD	744159	6996571	593	-67	75	540.70	541.70	1.00m @ 1.63 g/t	2540	1.6	
								543.80	547.00	3.20m @ 2.84 g/t	4087	9.1	
	TTDD403W4	DD	744159	6996571	593	-67	75	567.05	568.05	1.00m @ 1.24 g/t	50	1.2	
								592.40	596.30	3.90m @ 5.06 g/t	11203	19.7	
	TTDD403W5	DD	744159	6996571	593	-67	75	572.75	578.70	5.95m @ 1.61 g/t	1950	9.6	
								582.65	587.25	4.60m @ 2.11 g/t	4961	9.7	
								599.15	601.00	1.85m @ 4.79 g/t	10602	8.9	
	TTDD403W6	RCD	744159	6996571	593	-67	75	508.40	509.50	1.10m @ 2.31 g/t	275	2.5	
								511.35	515.25	3.90m @ 11.68 g/t	13809	45.6	
								530.00	533.25	3.25m @ 4.54 g/t	9511	14.8	
TTDD406	RCD	744449	6996205	603	-61	72	508.90	512.90	4.00m @ 5.08 g/t	8698	20.3		
TTDD406W1	DD	744449	6996205	603	-61	72	488.50	490.20	1.70m @ 5.21 g/t	12300	8.9		
							493.20	498.00	4.80m @ 2.36 g/t	3697	11.3		
SHIRAZ													
	TTRC378	RC	743848	6997130	600	-61	75	112	113	1.00m @ 1.15 g/t	3830	1.2	4
	TTRC382	RC	743898	6997074	596	-61	74	62	63	1.00m @ 3.50 g/t	6200	3.5	4
	TTRC384	RC	743804	6997153	601	-62	75	99	101	2.00m @ 3.07 g/t	5380	6.1	4
	TTRC388	RC	743815	6997198	599	-60	72	29	30	1.00m @ 1.28 g/t	1600	1.3	4

Notes:

1. RC – reverse circulation drilling; DD – diamond drilling; RCD - RC pre-collar with diamond tail
2. Intervals are down-hole lengths, not true-width
3. Parameters: 1.0g/t Au lower-cut off, maximum internal waste 1.0m, minimum intercept 1.0m
4. Replaces previously released intercept due to 1 metre re-sampling of significant composite samples



Appendix 2 – 2013 Resources and Reserves Tables

Nickel Resources and Reserves

Table 1

Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal Tonnes
				Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Savannah Project		100%										
		Nickel	Jul-13	2,175,000	1.52	1,508,000	1.54	-	-	3,684,000	1.53	56,400
		Copper			0.80		1.04		-		0.90	33,200
		Cobalt			0.08		0.07		-		0.08	2,900
Copernicus Open Pit		79%										
		Nickel	Jul-10	307,000	1.08	316,000	1.38	18,000	1.01	641,000	1.23	7,900
		Copper			0.66		0.99		0.70		0.82	5,300
		Cobalt			0.04		0.05		0.03		0.04	300
Lanfranchi Project		100%	Nickel									
Cruikshank			Apr-11	-	-	2,018,000	1.42	611,000	0.79	2,629,000	1.28	33,600
Deacon			Jul-13	918,000	2.64	229,000	2.60	105,000	1.66	1,252,000	2.55	32,000
Gigantus			Jul-07	-	-	-	-	652,000	1.63	652,000	1.63	10,600
Helmut South			Jul-12	28,000	3.00	-	-	-	-	28,000	3.00	900
Helmut South Ext			Jun-13	17,000	3.66	124,000	3.20	4,000	2.24	145,000	3.23	4,700
John			Jul-07	-	-	-	-	291,000	1.42	291,000	1.42	4,100
Lanfranchi			Jul-13	71,000	5.32	86,000	4.50	63,000	4.03	220,000	4.63	10,200
Martin			Feb-12	-	-	47,000	3.58	7,000	4.16	54,000	3.66	2,000
McComish			Jul-07	-	-	-	-	992,000	1.49	992,000	1.49	14,800
Metcalfe			Jul-13	-	-	237,000	2.1	86,000	1.75	323,000	2.01	6,500
Schmitz			Jul-13	11,000	6.51	38,000	3.39	20,000	3.50	69,000	3.93	2,700
Winner			Jul-11	-	-	14,000	4.40	-	-	14,000	4.40	600
Total (Equity)		Nickel										186,800
		Copper										38,400
		Cobalt										3,200

Table 2

Reserve	Equity	Metal	Date of Reserve	Proven		Probable		Total		Metal Tonnes				
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)					
Savannah Project														
Upper Zone	100%	Nickel	Jul-13	-	-	650,000	1.23	650,000	1.23	8,000				
		Copper									-	0.57	0.57	3,700
		Cobalt									-	0.07	0.07	500
Lower Zone	100%	Nickel	Jul-13	-	-	2,041,000	1.32	2,041,000	1.32	26,900				
		Copper									-	0.83	0.83	16,900
		Cobalt									-	0.06	0.06	1,300
Copernicus O/Pit	79%	Nickel	Jul-13	-	-	288,000	1.03	288,000	1.03	3,000				
		Copper									-	0.63	0.63	1,800
		Cobalt									-	0.04	0.04	100
Lanfranchi Project														
100%		Nickel												
Deacon			Jul-13	-	-	967,000	2.02	967,000	2.02	19,500				
Lanfranchi			Jul-13	-	-	73,000	4.61	73,000	4.61	3,400				
Helmut Sth Ext			Jul-13	-	-	158,000	2.13	158,000	2.13	3,400				
Total (Equity)		Nickel	64,100											
		Copper	22,500											
		Cobalt	1,900											

Savannah Project

• Savannah Project Resource cutoff grade at 0.50% Ni • Copernicus Project Resource cutoff grade at 0.50% Ni • Savannah Project Reserve cutoff grade is 0.85% Ni • Copernicus Project Reserve cutoff grade is 0.50% Ni

Lanfranchi Project

• Lanfranchi Project Resource cutoff grades at 1.00% Ni • Lanfranchi Project Reserve cutoff grade is 1.00% Ni except the Deacon Longhole stopes which are 0.80% Ni • All resources are inclusive of reserves • Individual Project Resources and Reserves are stated on an equity basis



The information in this report that relates to Mineral Resources is based on information compiled by or reviewed by Paul Hetherington (MAusIMM) for the Savannah Project Resource and Copernicus Project Resource and Bradley Robinson (MAusIMM) for the Lanfranchi Project Resources. The aforementioned are full-time employees of Panoramic Resources Limited. The aforementioned have 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 ("the JORC Code"). The aforementioned consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Information in this report relating to Ore Reserves has been completed by or reviewed by, Lilong Chen (MAusIMM) for both the Savannah Project and Lanfranchi Project and Jonathon Bayley (MAusIMM) for the Copernicus Project. Lilong Chen is a full-time employee of Panoramic Resources Limited. The aforementioned have 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 JORC Code. The aforementioned consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Gold Resources

Table 3

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			Jul-13	-	-	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
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
Shiraz			Jul-13	-	-	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
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			Jul-13	-	-	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
Mt Henry Project	70%	Gold										
Selene			Jul-13	-	-	12,258,000	1.17	3,614,000	0.92	15,872,000	1.11	568,100
Mt Henry			Jul-13	-	-	10,869,000	1.24	4,476,000	1.13	15,345,000	1.21	596,000
North Scotia			Jul-13	-	-	250,000	3.11	97,000	1.95	347,000	2.79	31,100
Total (Equity)		Gold		-	-	38,610,000	1.65	10,872,000	1.36	49,482,000	1.58	2,520,400

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 Limited 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 he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Dr Carras consents to the inclusion in the report of the matters based on this 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 • Wilsons Resource cutoff grade is 2.0 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, Toedter and Wilsons Mineral Resources is based on information compiled by or reviewed by Andrew Bewsher (AIG) and Ben Pollard (AIG & MAusIMM). The aforementioned are full time employees of BM Geological Services and have 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 JORC Code. The aforementioned consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Mt Henry Project (Panoramic 70%)

• Mt Henry Project Resource cutoff grades are 0.4 g/t (previously reported at 1 g/t cutoff). • Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Mt Henry Project Mineral Resources is based on information compiled by or reviewed by Andrew Bewsher (MAusIMM). Andrew Bewsher is a full time employee of BM Geological Services 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 JORC Code. Andrew Bewsher consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

PGM Resources

Table 4

Thunder Bay North Project				Grade									Metal (oz)	
Resource	Equity	Date of Resource	Tonnage	Pt	Pd	Rh	Au	Ag	Cu	Ni	Co	Pt-Eq	Pt	Pd
				(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	%	(g/t)	(oz ,000)	(oz ,000)
Open Pit	100%	Jan-11												
Indicated			8,460,000	1.04	0.98	0.04	0.07	1.50	0.25	0.18	0.014	2.13	283	267
Inferred			53,000	0.96	0.89	0.04	0.07	1.60	0.22	0.18	0.014	2.00	2	2
Underground	100%	Feb-12												
Indicated			1,369,000	1.65	1.54	0.08	0.11	2.60	0.43	0.24	0.016	3.67	73	68
Inferred			472,000	1.32	1.25	0.06	0.09	2.10	0.36	0.19	0.011	2.97	20	19
Total (Equity)													377	355

Thunder Bay North Open Pit Resource

The effective date of this estimate is 11 January 2011, which represents the cut-off date for the most recent scientific and technical information used in the report. The Mineral Resource categories under the JORC Code (2004) are the same as the equivalent categories under the CIM Definition Standards for Mineral Resources and Mineral Reserves (2010). The portion of the Mineral Resource underlying Current Lake is assumed to be accessible and that necessary permission and permitting will be acquired. All figures have been rounded; summations within the tables may not agree due to rounding.

The open pit Mineral Resource is reported at a cut-off grade of 0.59 g/t Pt-Eq within a Lerchs-Grossman resource pit shell optimized on Pt-Eq. The strip ratio (waste:ore) of this pit is 9.5:1. The contained metal figures shown are in situ. No assurance can be given that the estimated quantities will be produced. The platinum-equivalency formula is based on assumed metal prices and overall recoveries. The Pt-Eq formula is: Pt-Eq g/t = Pt g/t + Pd g/t x 0.3204 + Au g/t x 0.6379 + Ag g/t x 0.0062 + Cu g/t x 0.00011 + Total Ni g/t x 0.000195 + Total Co g/t x 0.000124 + Rh g/t x 2.1816. The conversion factor shown in the formula for each metal represents the conversion from each metal to platinum on a recovered value basis. The assumed metal prices used in the Pt-Eq formula are: Pt US\$1,595/oz, Pd US\$512/oz, Au US\$1,015/oz, Ag US\$15.74/oz, Cu US\$2.20/lb, Ni US\$7.71/lb, Co US\$7.71/lb and Rh US\$3,479/oz. The assumed combined flotation and Platsol™ process recoveries used in the Pt-Eq formula are: Pt 76%, Pd 75%, Au 76%, Ag 55%, Cu 86%, Ni 44%, Co 28% and Rh 76%. The assumed refinery payables are: Pt 98%, Pd 98%, Au 97%, Ag 85%, Cu 100%, Ni 100%, Co 100% and Rh 98%.

The updated Resources do not include drilling conducted since 31 May 2010. The information in this report that relates to Mineral Resources compiled by AMEC Americas Limited was prepared by Greg Kulla P.Ge. (APOG #1752, APEGBC #23492) and David Thomas, P.Ge., MAusIMM (APEGBC #149114, MAusIMM #225250), both full time employees of AMEC Americas Limited. The aforementioned have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the JORC Code and independent qualified persons as this term is defined in Canadian National Instrument 43-101.

Underground Resource

The internal Underground Mineral Resource estimate for the East Beaver Lake extension was made by ordinary kriging methods using the same technical and financial parameters as those used by AMEC Americas Limited for the Underground Mineral Resource estimate reported by Magma Metals limited ("Magma") on 6 September 2010. The Underground Mineral Resource is reported at a cut-off grade of 1.94g/t Pt-Eq. The contained metal figures shown are in situ. The platinum equivalency formula is based on assumed metal prices and recoveries and therefore represents Pt-Eq metal in situ. The Pt-Eq formula is: Pt-Eq g/t = Pt g/t + Pd g/t x 0.2721 + Au g/t x 0.3968 + Ag g/t x 0.0084 + Cu g/t x 0.000118 + Sulphide Ni g/t x 0.000433 + Sulphide Co g/t x 0.000428 + Rh g/t x 2.7211. The assumed metal prices used in the Pt-Eq formula are: Pt US\$1,470/oz, Pd US\$400/oz, Rh US\$4,000/oz, Au US\$875/oz, Ag US\$14.30/oz, Cu US\$2.10/lb, Ni US\$7.30/lb and Co US\$13.00/lb. The assumed process recoveries used in the Pt-Eq formula are: Pt 75%, Pd 75%, Rh 75%, Au 50%, Ag 50%, Cu 90%, and Ni and Co in sulphide 90%. The assumed smelter recoveries used in the Pt-Eq formula are Pt 85%, Pd 85%, Rh 85%, Au 85%, Ag 85%, Cu 85%, Ni 90% and Co 50%. To account for a portion of the Ni and Co occurring as silicate minerals, Ni and Co in sulphide were estimated by linear regression of MgO to total Ni and total Co respectively. The regression formula for Ni in sulphide (NiSx) is: NiSx = Ni - (MgO% x 60.35 - 551.43). The regression formula for Co in sulphide (CoSx) is: CoSx = Co - (MgO% x 4.45 - 9.25). All figures have been rounded. Summations within the tables may not agree due to rounding. Magma undertook quality assurance and quality control studies on the mineral resource data and concluded that the collar, assay and lithology data are adequate to support resource estimation.



The Mineral Resource categories under JORC are the same as the equivalent categories under CIM Definition Standards (2005). The Mineral Resource has been estimated in conformity with both generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" (2003) guidelines and the 2004 Edition of the JORC Code. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

The information in this report that relates to Mineral Resources compiled internally was prepared by Guoliang Leon Ma P.Geo and Allan MacTavish P.Geo, both full time employees of Panoramic PGMs (Canada) Limited, a wholly owned subsidiary of Panoramic Resources Limited. Both the aforementioned have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the JORC Code and qualified persons as this term is defined in Canadian National Instrument 43-101. The aforementioned consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Table 5

Panton Project				Grade					Metal (oz)	
Resource	Equity	Date of Resource	Tonnage	Pt (g/t)	Pd (g/t)	Au (g/t)	Cu (%)	Ni (%)	Pt (oz ,000)	Pd (oz ,000)
Top Reef	100%	Mar-12								
Measured			4,400,000	2.46	2.83	0.42	0.28	0.08	348	400
Indicated			4,130,000	2.73	3.21	0.38	0.31	0.09	363	426
			1,560,000	2.10	2.35	0.38	0.36	0.13	105	118
Middle Reef	100%	Mar-12								
Measured			2,130,000	1.36	1.09	0.10	0.18	0.03	93	75
Indicated			1,500,000	1.56	1.28	0.10	0.19	0.04	75	62
			600,000	1.22	1.07	0.01	0.19	0.05	24	21
Total (Equity)									984	1,081

Panton

The information in this release that relates to the Panton Project Mineral Resource is based on a resources estimate compiled by Ted Copeland who is a Director of Cube Consulting Pty Ltd. and is a Member of the Australian Institute of Mining and Metallurgy. Ted Copeland has more than 10 years' experience which is relevant to the style of mineralisation and type of deposit under consideration and in the activity which he is undertaking and qualifies as a Competent Person as defined in the 2004 Edition of the JORC Code. Ted Copeland consents to the inclusion in the release of the matters based on the information in the form and context in which they appear.