

31 October 2016

Quarterly Report for the period ending 30 September 2016

Significant Points

GROUP

- Safety – **no LTIs recorded**
- Liquid Assets – **\$20 million (including ~\$0.4 million of nickel in concentrate)**
- Resources and Reserves Tables as at 30 June 2016 and updated as at 30 September 2016

NICKEL

Savannah

- Shipments – **886t Ni in concentrate**
- Project on care and maintenance
- **Upgraded Savannah North Mineral Resource – 60% increase to 175,100t contained Ni**
- **Surface drilling program underway** to test for extensions to the Savannah North Upper Zone mineralisation
- Restart Plan – the combined Savannah and Savannah North feasibility study ongoing and **on track for completion in December 2016**

Lanfranchi

- Project on care and maintenance

GOLD

Gum Creek

- **\$15M Horizon Gold IPO announced**
- Mineral Resources Table as at 30 September 2016

PGM

Panton

- Research work by Curtin University continued

Thunder Bay North (TBN)

- Semi-airborne HeliSAM™ magnetics survey undertaken

CORPORATE

- Perth Office – further redundancies made and senior executive salaries reduced by 10% from 1 July 2016

Group Summary

Safety

No lost time injuries (LTI).

Environment

There were no significant environmental incidents recorded and the operations were conducted within all statutory, regulatory and licence conditions.

Nickel – Savannah Project

General

The Savannah and Copernicus operations were placed onto care and maintenance in late May 2016, with the remaining Savannah operational employees made redundant in July/August upon the completion of clean-up and rehabilitation activities.

Environmental monitoring will continue while the Project is on care and maintenance, including water management during the upcoming wet season. The review and sale of redundant mobile equipment and spares has been ongoing during the quarter and has resulted in \$930,000 in sundry income.

In August 2016, a meeting was held in the nearby town of Warmun with the local community to explain the impact of the Savannah Project going onto care and maintenance.

Two concentrate shipments for a combined 886t contained nickel were exported in July 2016 (*Table 1*). The remaining concentrate of ~500wmt was loaded into two tonne bags for shipment during the December 2016 quarter.

Table 1 – Savannah Project Operating Statistics (including Copernicus)

| Area | Details | Units | 3 mths ending 30 Sep 2016 | 3 mths ending 30 June 2016 | 2015/16 Full Year |
|-------------------------------|--------------------|-------|------------------------------|-------------------------------|----------------------|
| Mining | Ore mined | dmt | - | 112,325 | 847,638 |
| | Ni grade | % | - | 1.66 | 1.33 |
| | Ni metal contained | dmt | - | 1,867 | 11,274 |
| | Cu grade | % | - | 0.85 | 0.75 |
| | Co grade | % | - | 0.07 | 0.06 |
| Milling | Ore milled | dmt | - | 153,063 | 870,542 |
| | Ni grade | % | - | 1.50 | 1.32 |
| | Cu grade | % | - | 0.77 | 0.74 |
| | Co grade | % | - | 0.07 | 0.06 |
| | Ni Recovery | % | - | 85.2 | 85.8 |
| | Cu Recovery | % | - | 94.5 | 93.5 |
| Concentrate Production | Concentrate | dmt | - | 22,340 | 131,789 |
| | Ni grade | % | - | 8.76 | 7.47 |
| | Ni metal contained | dmt | - | 1,958 | 9,845 |
| | Cu grade | % | - | 4.95 | 4.56 |
| | Cu metal contained | dmt | - | 1,106 | 6,011 |
| | Co grade | % | - | 0.43 | 0.36 |
| | Co metal contained | dmt | - | 96 | 476 |
| Concentrate Shipments | Concentrate | dmt | 10,227 | 19,453 | 124,962 |
| | Ni grade | % | 8.67 | 8.57 | 7.46 |
| | Ni metal contained | dmt | 886 | 1,667 | 9,316 |
| | Cu grade | % | 4.86 | 5.12 | 4.58 |
| | Cu metal contained | dmt | 497 | 996 | 5,728 |
| | Co grade | % | 0.41 | 0.41 | 0.35 |
| | Co metal contained | dmt | 42 | 79 | 436 |

Restart Plan

The Savannah Ore Reserve at 30 June 2016 remains readily accessible with minimal capital development requirements to resume mining. **The updated Savannah Ore Reserve has been included in the combined Savannah and Savannah North feasibility study**, which is underway.

The objectives during the care and maintenance period are to:

- complete the combined Savannah and Savannah North feasibility study;
- grow the Resource base by undertaking additional exploration in FY2017;
- study the technical aspects and economics of producing a higher nickel grade bulk concentrate, separate nickel and copper concentrates, and/or a nickel/copper/cobalt matte; and
- identify the optimum mining and milling rates, recognising the existing mill has the capacity to treat 1.0-1.1Mtpa, through the use of new mining and haulage technologies to enhance productivity and reduce unit costs.

Savannah - Savannah North feasibility study

The Savannah - Savannah North feasibility study remains on track for completion in December 2016. Major tasks completed or commenced during the quarter, include:

- the **major resource upgrade at Savannah North**, released in August 2016 (*see below and details in the Exploration section of this report*);
- Savannah Ore Reserve updated as at 30 June 2016 (*released on 30 September 2016*);
- Savannah North mine design completed using the updated Savannah North Resource;
- Processing grade–recovery parameters revised, based on the April 2016 Savannah pilot plant study results;
- GR Engineering engaged to develop costings for the installation of an Isamill™ and Jameson Cell™;
- BECK Engineering commenced geotechnical modelling on Savannah North;
- Ozvent Consulting engaged to develop a ventilation plan for mining Savannah and Savannah North ore; and
- Mining schedule optimisations.

Relative Size of the combined Savannah Project Resources

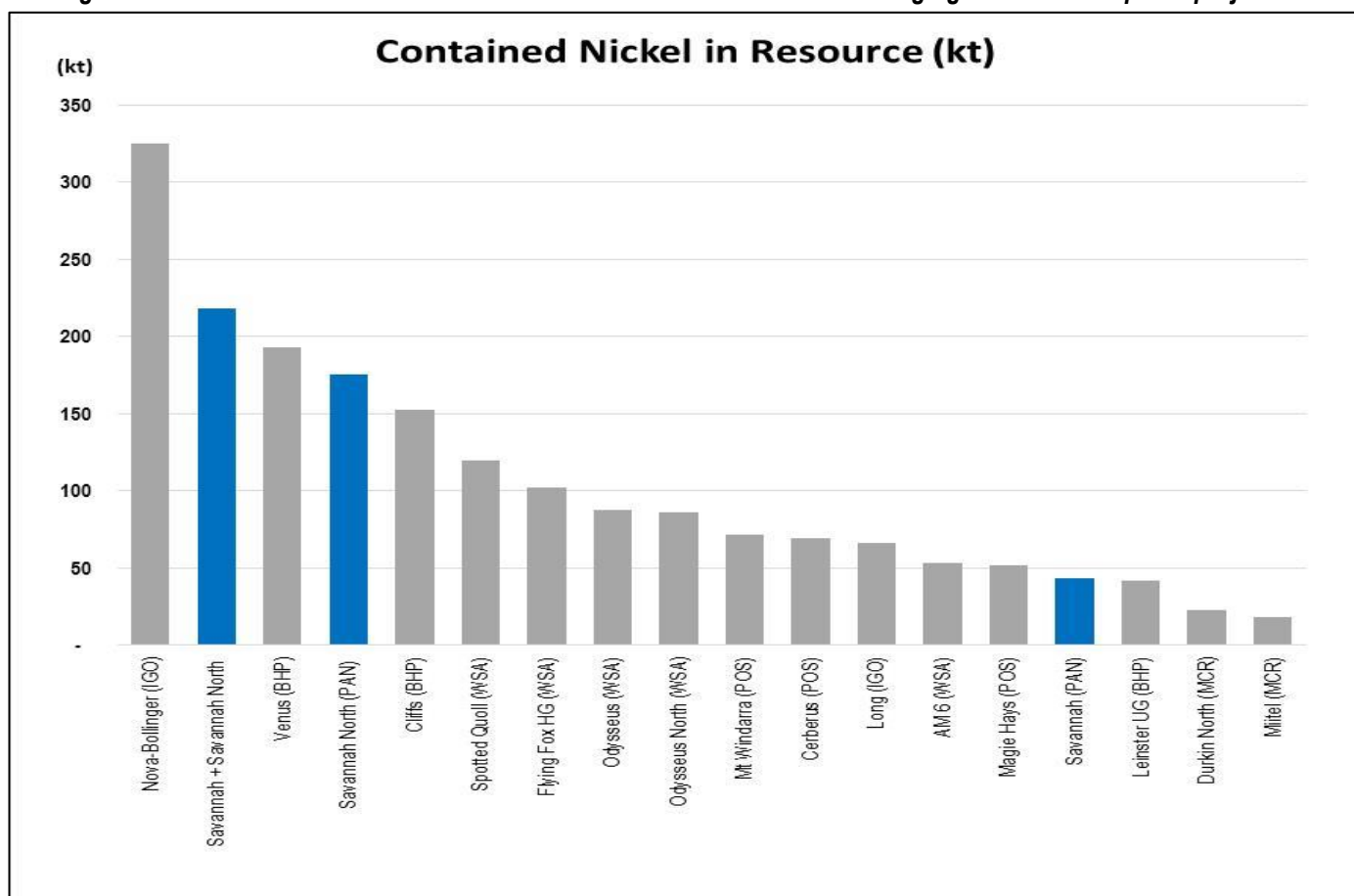
The combined Savannah and Savannah North Resources comparison with other current reported medium and high grade nickel sulphide Resources in Australia **confirms that the Savannah Project hosts a major mineralised system** (*Figure 1*).

When mining first commenced in August 2003, the reported Resource contained 65,000t Ni, 26,600t Cu and 3,540t Co (*refer to the Company's 2003 Annual Report*). The Resource increased as further mineralisation was discovered below the 500 Fault.

When the Savannah Project was placed onto care and maintenance in May 2016 due to decade-low nickel prices, a total of 94,530t Ni, 52,840t Cu and 4,970t Co in concentrate had been produced. **The combined Savannah and Savannah North Resources now contain 226,400t Ni, 104,700t Cu and 15,300t Co or approximately 3.5 times more nickel than the original 2003 Savannah Resource.**

The production to-date, the current reported Resources and the exploration potential highlight that Savannah remains a significant mineralised system.

Figure 1 – Contained nickel in resource of various Australian medium and high grade nickel sulphide projects



The Future

Since 2004, the Savannah Project has operated continuously for 12 years and has production ready assets, including an established underground mine, a 1.0-1.1Mtpa processing plant, a heavy mobile mining fleet and associated infrastructure. Importantly, the Project has an off-take agreement with the Jinchuan Group until early 2020.

Subject to a sustainable nickel price environment and **with these production ready assets, Savannah could be restarted in a reasonably short time period for minimal capital investment.** Once developed, the large combined Savannah Project Resource base could support operations at production rates similar to 2004 to 2016 for a significant period.

Nickel – Lanfranchi Project

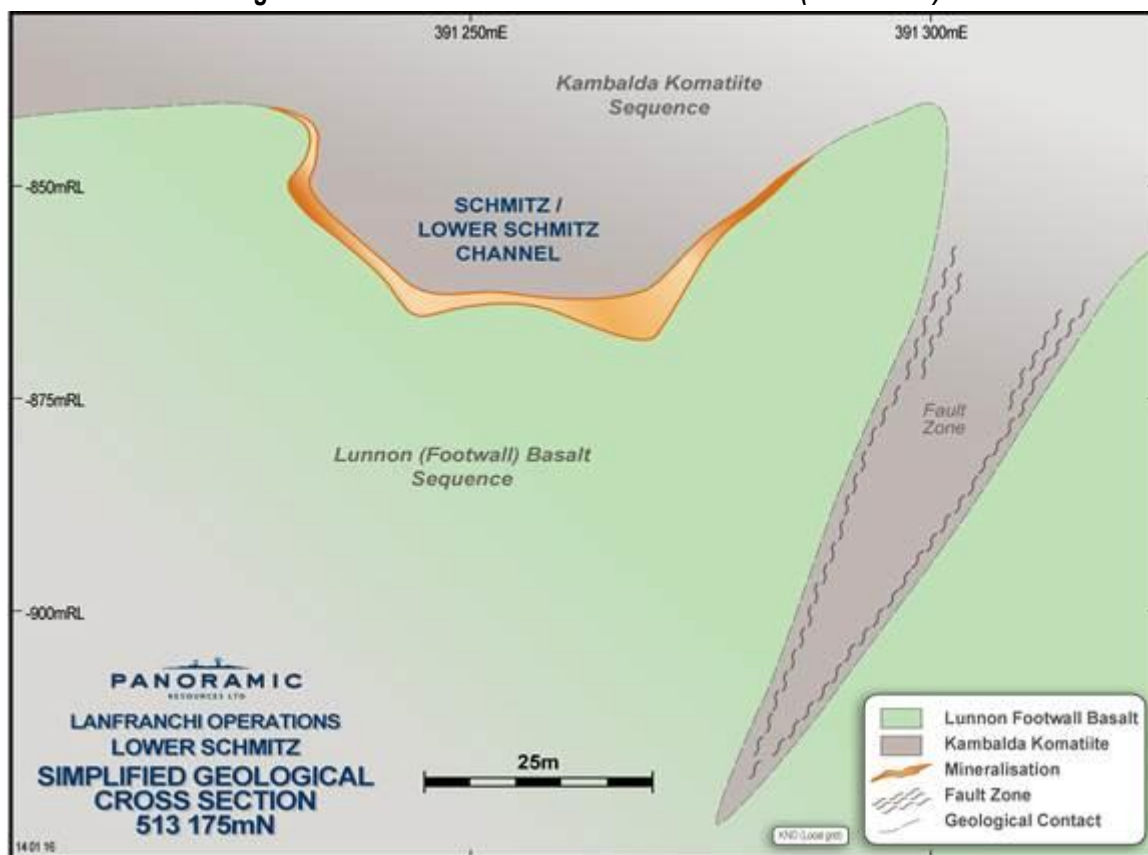
General

The Lanfranchi Project has a large existing Resource base of approximately 5.65 million tonnes at an average grade of 1.69% Nickel for 95,500 tonnes of nickel contained, with approximately half of the Resource classified in the 'Measured' or 'Indicated' category (*refer to the Company's ASX announcement of 30 September 2016*).

Since placing Lanfranchi on care and maintenance in November 2015, a maiden Resource estimate for Lower Schmitz of 131,000t at 5.1% Ni for 6,700t Ni was defined (*refer to the Company's ASX announcement of 28 April 2016*). The Lower Schmitz mineralisation is confined within a pronounced "channel-like" zone, approximately 100m wide. A simplified geological cross section of the Lower Schmitz channel feature is shown in Figure 2. Mineralisation, averaging 5-6% Ni, is consistent throughout this channel zone, however, **there is evidence to indicate that a steep west dipping fault has displaced mineralisation at depth to the NNE or SSW. To confirm this displacement, further exploration is required.** The Lower Schmitz mineralisation remains one of the priority exploration targets at Lanfranchi.

Many of the other mineralised komatiite channels at Lanfranchi remain open at depth, including the Lanfranchi, Deacon, East Deacon and Schmitz channels. Panoramic plans to undertake further exploration in these channels as soon as funds become available.

Figure 2 – Lower Schmitz Channel Cross Section (153 175mN)



Native Title

In November 2014, the Federal Court made a Determination of native title in favour of the Ngadju People, the consequence of which was that the Company's tenements at the Lanfranchi Nickel Project were invalid to the extent that they were inconsistent with the continued existence, enjoyment or exercise of native title rights held by the Ngadju People. The Determination was subsequently appealed by some of the Respondents to the Determination, and the Company joined as a non-participating Respondent Party to the appeal.

On 29 March 2016, the Full Federal Court handed down its decision in the appeal, which overturned the initial decision and confirmed the validity of the relevant tenements. The Ngadju People filed applications for special leave to appeal to the High Court. In October 2016, these applications were refused.

Base Metal Exploration

Savannah and East Kimberley Regional

Savannah North Mineral Resource

Underground Resource drilling was undertaken at Savannah North between February and July 2016. In late August 2016, the Company released a significant upgrade in the Savannah North Mineral Resource (*refer to the Company's ASX announcement of 24 August 2016*).

The 2016 drill program was an extension of the 2015 drill program which resulted in the release of a maiden Mineral Resource estimate in October 2015 (*refer to the Company's ASX announcement of 1 October 2015*).

A total of 27 underground drill holes were completed in the 2016 program. The results from this and the 2015 drill program form the basis of the August 2016 Savannah North Mineral Resource estimate.

The 2016 Resource estimate was completed using Surpac™ software and Ordinary Kriging estimation methodology and is classified as JORC 2012 Compliant. The 2016 Mineral Resource estimate is reported at a nickel cut-off grade of 0.50% Ni.

The 2016 drill program resulted in a 60% increase in contained nickel on the maiden Savannah North Resource. The upgraded Savannah North Resource estimate is 10.27 million tonnes at 1.70% Ni for 175,100t contained nickel (Table 2). Of this, 73% of the total contained nickel at Savannah North is classified as an Indicated Resource.

Table 2: Savannah North Project Mineral Resource Estimate (as at August 2016)

| Resource Zone | Metal | Resource Date | JORC | Measured | | Indicated | | Inferred | | Total | | Metal Tonnes |
|---------------|---------------|---------------|------|----------|--------|------------------|-------------|------------------|-------------|-------------------|-------------|----------------|
| | | | | Tonnes | Ni (%) | Tonnes | Ni (%) | Tonnes | Ni (%) | Tonnes | Ni (%) | |
| Upper | Nickel | Aug-16 | 2012 | | | 4,229,000 | 1.64 | 1,759,000 | 1.25 | 5,988,000 | 1.53 | 91,300 |
| | Copper | | | | | | 0.65 | | 0.49 | | 0.60 | 36,100 |
| | Cobalt | | | | | | 0.12 | | 0.10 | | 0.11 | 6,800 |
| Lower | Nickel | Aug-16 | 2012 | | | 2,697,000 | 1.96 | 853,000 | 2.02 | 3,550,000 | 1.97 | 70,100 |
| | Copper | | | | | | 0.98 | | 0.93 | | 0.97 | 34,400 |
| | Cobalt | | | | | | 0.14 | | 0.13 | | 0.14 | 4,900 |
| Other | Nickel | Aug-16 | 2012 | | | 242,000 | 2.22 | 493,000 | 1.67 | 735,000 | 1.85 | 13,600 |
| | Copper | | | | | | 0.50 | | 0.53 | | 0.52 | 3,800 |
| | Cobalt | | | | | | 0.14 | | 0.11 | | 0.12 | 900 |
| Total | Nickel | | | | | 7,168,000 | 1.78 | 3,104,000 | 1.53 | 10,272,000 | 1.70 | 175,100 |
| | Copper | | | | | | 0.77 | | 0.62 | | 0.72 | 74,400 |
| | Cobalt | | | | | | 0.13 | | 0.11 | | 0.12 | 12,700 |

Note: Resource tonnes are rounded to the nearest 1,000t and contained metal tonnes to the nearest 100t. Therefore, rounding errors may cause individual column totals not to sum precisely.

The Savannah North Resource is composed predominantly of two discrete zones of mineralisation; the Upper and Lower Zones.

The **Upper Zone** relates to mineralisation developed on or about the basal contact of the Savannah North Intrusion. The Upper Zone strikes east-west and dips moderately to the north (Figure 3). Five small discrete lenses of mineralisation that are developed just above the Upper Zone have also been modelled and are included in the “Other” category shown in Table 2.

The Savannah North **Lower Zone** relates to a discrete, consistent zone of higher grade, off-contact massive sulphide mineralisation. The Lower Zone mineralisation is predominantly developed within the Tickalara Metamorphics and is interpreted to originate from the Upper Zone mineralisation. The Lower Zone dips more steeply away to the north-northwest (Figure 4). The additional drilling has improved the understanding of the gross geological geometry of Savannah North and the relationship between the mineralised zones. **Importantly, the 2016 drilling program has not closed off the mineralisation. Significant upside potential opportunities at Savannah North include:**

- The **Upper Zone Resource remains open to both the east and west;**
- The **potential strike length of the Upper Zone is currently understood to be approximately 2 kms** based on the large, highly conductive on-hole EM response identified in surface drill hole SMD164 on Section 5400mE (Figure 3 and refer to the Company’s ASX announcement of 25 August 2015). As a consequence, **less than 50% of the potential Upper Zone mineralisation has been tested by resource drilling;** and
- The **Lower Zone Resource remains open down dip to the north.**

Figure 3 – Plan view Savannah North Upper Zone mineralisation showing resource drill holes

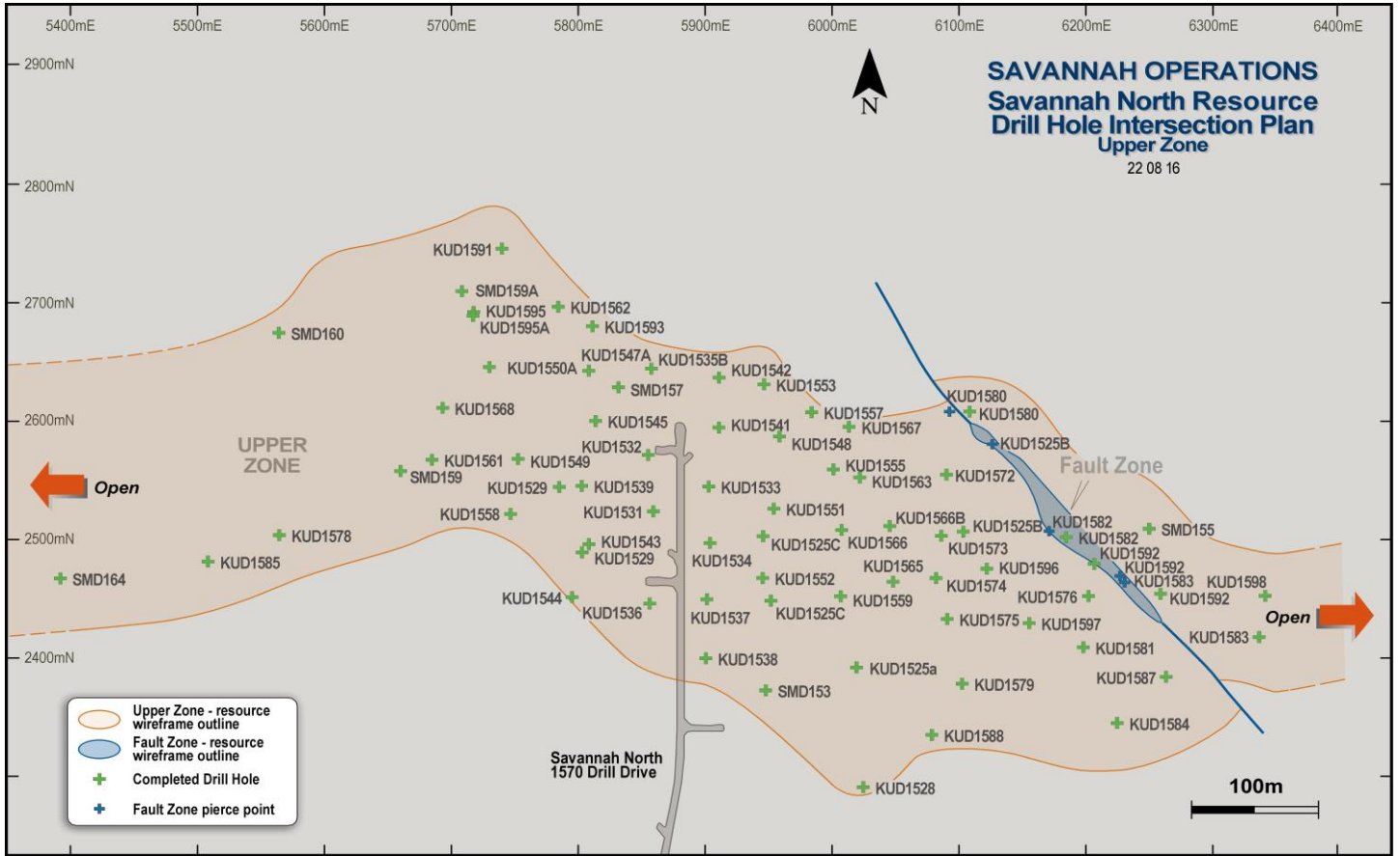
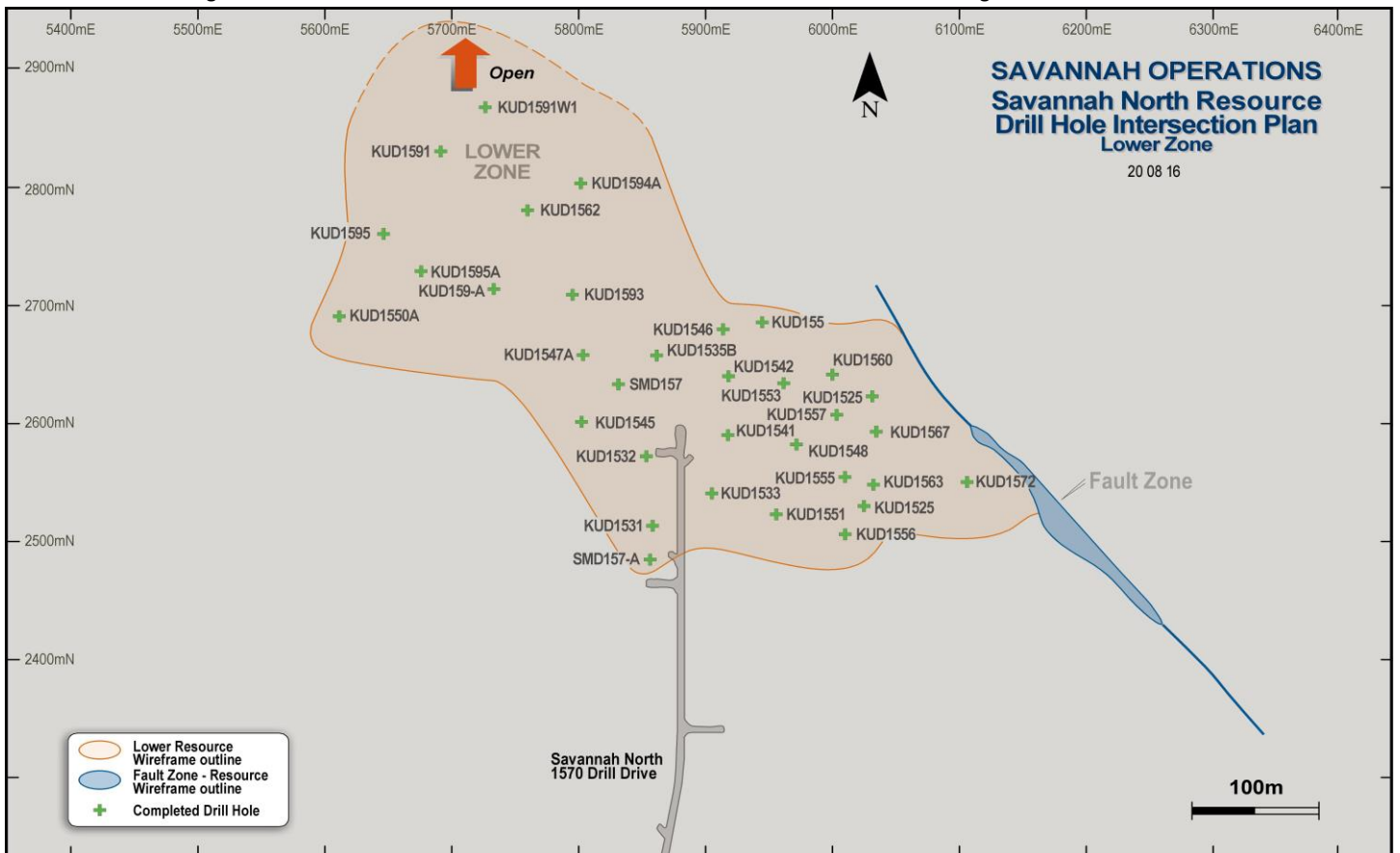


Figure 4 – Plan view Savannah North Lower Zone mineralisation showing resource drill holes



Savannah Project Mineral Resource

The Savannah Project Mineral Resource estimate (combined Savannah and Savannah North Mineral Resources) as at 30 September 2016 is shown in Table 3. All Resources are reported at a nickel cut-off grade of 0.50% Ni.

Table 3: Savannah Project Combined Mineral Resource Estimate (September 2016)

| Resource | Metal | Resource Date | JORC | Measured | | Indicated | | Inferred | | Total | | Metal Tonnes |
|-------------------|---------------|---------------|------|-----------|------|------------------|-------------|------------------|-------------|-------------------|-------------|----------------|
| | | | | Tonnes | (%) | Tonnes | (%) | Tonnes | (%) | Tonnes | (%) | |
| Savannah | | | | | | | | | | | | |
| Above 900F | Nickel | Jun-16 | 2012 | 1,275,000 | 1.51 | 759,000 | 1.20 | | | 2,034,000 | 1.39 | 28,300 |
| | Copper | | | | 0.87 | | 0.90 | | | | 0.88 | 17,900 |
| | Cobalt | | | | 0.07 | | 0.07 | | | | 0.07 | 1,400 |
| Below 900F | Nickel | Jun-15 | 2012 | | | 780,000 | 1.64 | 125,000 | 1.72 | 905,000 | 1.65 | 14,900 |
| | Copper | | | | 0.76 | | 0.75 | | | | 0.76 | 6,900 |
| | Cobalt | | | | 0.10 | | 0.09 | | | | 0.10 | 900 |
| Savannah North | Nickel | Aug-16 | 2012 | | | 7,168,000 | 1.78 | 3,104,000 | 1.53 | 10,272,000 | 1.70 | 175,100 |
| | Copper | | | | | | 0.77 | | 0.62 | | 0.72 | 74,400 |
| | Cobalt | | | | | | 0.13 | | 0.11 | | 0.12 | 12,700 |
| Copernicus | | | | | | | | | | | | |
| Open Pit | Nickel | Jun-16 | 2004 | 132,000 | 0.97 | | | | | 132,000 | 0.97 | 1,300 |
| | Copper | | | | 0.52 | | | | | | 0.52 | 700 |
| | Cobalt | | | | 0.03 | | | | | | 0.03 | - |
| Underground | Nickel | Jul-10 | 2004 | | | 508,000 | 1.30 | 25,000 | 0.98 | 532,000 | 1.29 | 6,800 |
| | Copper | | | | | | 0.91 | | 0.69 | | 0.90 | 4,800 |
| | Cobalt | | | | | | 0.05 | | 0.02 | | 0.05 | 300 |
| Total | Nickel | | | | | | | | | | | 226,400 |
| Savannah | Copper | | | | | | | | | | | 104,700 |
| Project | Cobalt | | | | | | | | | | | 15,300 |

The combined Savannah and Savannah North Resources of **226,400t Ni, 104,700t Cu and 15,300t Co** is a significant mineralised system with the potential to increase the known footprint through planned extensional drilling programs in FY2017.

Savannah North Surface Drill Program

A surface drilling program to test for extensions to the Upper Zone mineralisation commenced in September 2016. The main objective of the program is to evaluate and test for strike and width extensions of the Savannah North mineralised system to the east and west of the currently defined Resource. It is proposed the program will drill at least two holes to test the large EM plate extending to the west from the Savannah North Resource and up to three holes to the east of the resource.

Lanfranchi

No exploration programs were undertaken at Lanfranchi during the quarter.

Gold – Gum Creek Project (Horizon Gold)

Initial Public Offer (IPO)

In July 2016, the Company announced that it had begun the process to partially divest the Gum Creek Project by way of an initial public offering (IPO).

On 21 October 2016, Panoramic entered into various agreements with new subsidiary, Horizon Gold Limited (“Horizon”) to transfer the Gum Creek Project and its wholly owned subsidiary, Panoramic Gold Pty Ltd, to Horizon on completion of a \$15 million underwritten Capital Raising (IPO) and the successful spin-out of Horizon onto the ASX Official List (*refer to the Company’s ASX announcement of 21 October 2016*). Following the IPO and listing, Panoramic will hold a 51% interest in Horizon.

The capital structure of Horizon post the IPO is shown in Table 4.

Table 4: Horizon Gold Limited Capital Structure

| | Horizon Shares | % |
|--------------------------------|------------------------|------------|
| Shares held by Panoramic | 39,030,617 | 51 |
| Capital Raising (IPO) Shares | 37,500,000 | 49 |
| Total Issued Capital | 76,530,617 | 100 |
| Market cap. at \$0.40/share | \$30.61 million | |
| Pro-forma cash after IPO costs | \$13.65 million | |
| Enterprise Value | \$16.96 million | |

The Horizon Capital Raising of \$15 million before costs (37.5 million shares at \$0.40 per share) is to be undertaken in November via two offers; a Priority Offer to Eligible Panoramic Shareholders and a Public Offer. The Company is pleased to have the support of Somers Partners Pty Ltd, which has agreed to arrange, manage and underwrite the offers. The Company’s major shareholder, Zeta Resources Limited, has agreed to sub-underwrite the offers to \$4.6 million for a ~15% equity interest in Horizon. The Shares held by Panoramic will be escrowed for two years from listing.

Full details of the IPO are contained in the Horizon Prospectus which can be downloaded from www.horizongold.com.au. **Any person who wishes to apply for Shares in Horizon should consider the Horizon Prospectus before deciding to apply for such Shares, and should they wish to do so, complete the relevant Application Form that accompanies the Prospectus.**

Under a Management Agreement with Panoramic, Horizon will utilise Panoramic’s management team to provide corporate, technical, managerial and administrative services to Horizon, providing continuity of knowledge in relation to Gum Creek

It is expected that the listing of Horizon (proposed ASX Code: HRN) will be completed before the end of 2016.

The Company believes an IPO of the Gum Creek Project is the most appropriate way to unlock its intrinsic value, with the new funds raised primarily used to fast track exploration and development studies.

Gum Creek Gold Project - Objectives and Strategy

Horizon’s primary objective is to become a stand-alone gold producer through the successful development of the Gum Creek Gold Project.

The strategy adopted by Horizon to achieve this goal will be to:

- undertake extensional and infill drilling on the existing Gum Creek resources to grow the known resources and lift defined resources into higher-confidence JORC categories;
- undertake regional exploration targeting new gold discoveries outside of the known resources; and
- carry out development studies (including, but not limited to metallurgical and processing investigations) on the free milling and refractory mineralisation.

Horizon has proposed an extensive ~\$13 million two year budget in which approximately \$5 million will be spent on exploration and development studies in year one, with an emphasis on:

- infill and extension drilling on the known Gum Creek Resources (Heron South, Swan North, Swift and Kingfisher);
- staged programs of ground EM surveys, IP surveys and air-core drilling, to better define regional geophysical, geochemical and structural targets;
- optimisation studies on free milling material to identify areas for possible reductions in mining and processing operating and capital costs; and
- further metallurgical test work to confirm the suitability of Wilsons refractory mineralisation to treatment by a moderate temperature and pressure oxidation process.

Gum Creek Gold Project Mineral Resources Table (September 2016)

As part of the Horizon IPO process, the Company released on 14 October 2016 an updated Gum Creek Gold Project Mineral Resources Table to comply with the requirements of JORC 2012.

Following this update, four small deposits reported under JORC 2004 were omitted from the resources (*refer to the Company's ASX announcement of 14 October 2016 for further details*). **The updated total Mineral Resource at the Gum Creek Gold Project as at 30 September 2016 is 17.3Mt at 2.25g/t Au for 1.25 million ounces contained gold.** Of the total, approximately 75% of the contained gold in Resource is classified in the "Indicated" category.

A breakdown of the Gum Creek JORC 2012 compliant Resources by deposit is shown in Table 5.

Table 5 – Gum Creek Gold Mineral Resources Table as at 30 September 2016.

| Resource | Resource Date | Cut-off grade (g/t Au) | Mineralisation Type | Indicated | | Inferred | | Total | | Contained Gold (oz) |
|------------------------------|---------------|------------------------|---------------------|-------------------|-------------|------------------|-------------|-------------------|-------------|---------------------|
| | | | | Tonnes | Au (g/t) | Tonnes | Au (g/t) | Tonnes | Au (g/t) | |
| Open Pit Resources | | | | | | | | | | |
| Swan OC | Jun-15 | 0.7 | Free Milling | 2,250,000 | 2.57 | 990,000 | 2.36 | 3,240,000 | 2.51 | 261,100 |
| Heron South | Aug-16 | 0.5 | Refractory | 1,135,000 | 2.20 | 2,000 | 1.32 | 1,137,000 | 2.20 | 80,400 |
| Howards | Jul-13 | 0.4 | Free Milling | 5,255,000 | 1.07 | 716,000 | 1.01 | 5,971,000 | 1.06 | 204,000 |
| Specimen Well | Aug-16 | 0.5 | Free Milling | | | 361,000 | 2.00 | 361,000 | 2.00 | 23,200 |
| Toedter | Aug-16 | 0.5 | Free Milling | | | 690,000 | 1.54 | 690,000 | 1.54 | 34,200 |
| Shiraz | Jul-13 | 0.4 | Refractory | 2,476,000 | 0.84 | 440,000 | 0.76 | 2,916,000 | 0.83 | 77,600 |
| Underground Resources | | | | | | | | | | |
| Swan UG | Jun-15 | 4.0/6.0 | Free Milling | 207,000 | 8.71 | 77,000 | 11.25 | 284,000 | 9.40 | 85,800 |
| Swift UG | Jun-15 | 6.0 | Free Milling | | | 46,000 | 10.25 | 46,000 | 10.25 | 15,200 |
| Kingfisher UG | Aug-16 | 3.5 | Free Milling | | | 391,000 | 6.14 | 391,000 | 6.14 | 77,200 |
| Wilsons UG | Jul-13 | 1.0 | Refractory | 2,131,000 | 5.33 | 136,000 | 5.97 | 2,267,000 | 5.37 | 391,500 |
| Total | | | | 13,454,000 | 2.17 | 3,849,000 | 2.53 | 17,303,000 | 2.25 | 1,250,100 |

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. 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 to the Company's ASX announcement of 30 September 2016 for disclosures on the TBN Resource) with exploration potential at depth and along strike.

In 2015, Rio Tinto Exploration Canada Inc. (RTEC) commenced a farm-in whereby RTEC can earn a 70% interest in the TBN Project by sole funding C\$20 million in expenditure over five years, with a minimum spend of C\$5 million. By November 2015, RTEC had completed a diamond drilling program on the Project after drilling 11 holes, totalling 4,955 drill metres.

The results of the 2015 program were encouraging and a follow-up winter drill program using two diamond drill rigs commenced in mid-January 2016. The winter program was completed in late March after drilling 10 holes, totalling 4,832 drill metres. Promising intersections were obtained from several of the Eastern Lake holes and one hole on the Beaver Lake portion of the Project, which has expanded the known mineralisation in several directions.

In September 2016, RTEC commenced a semi-airborne HeliSAM™ magnetics survey over the Escape Lake, Current Lake, Beaver Lake, SEA Intrusion, O25 Intrusion and Swamp Anomaly portions of the Project. The survey was curtailed due to the inability of the HeliSAM™ system to detect known near surface mineralisation at Current Lake. Panoramic and RTEC plan to meet to discuss the results to date and the exploration strategy.

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 to the Company's announcement of ASX Announcement of 30 September 2015 on "Mineral Resources and Ore Reserves at 30 June 2015" for disclosures on the Resource) with exploration potential at depth and along strike.

Panoramic considers the Panton Project to be a quality PGM development asset which fits within the Company's commodity diversification and growth strategy and is a key part of its Kimberley Hub concept.

The Company is continuing to sponsor research being undertaken by Curtin University on alternative PGM leaching methods applicable to Panton ore.

Group Mineral Resource and Reserve Tables (30 September 2016)

On 30 September 2016, the Company released the Group's Mineral Resource and Reserve Tables as at 30 June 2016 (refer to the Company's ASX announcement of 30 September 2016 for further details).

Prior to that announcement, the Company released a significant upgrade in the Savannah North Mineral Resource (refer to the Company's ASX announcement of 24 August 2016). The Company also released an updated Mineral Resource at the Gum Creek Gold Project as at 30 September 2016 to comply with the requirements of JORC 2012 (refer to the Company's ASX announcement of 14 October 2016).

Table 6 shows the aggregated Group Mineral Resource and Reserve Tables as at 30 September 2016 and for the previous Group Mineral Resource and Reserve Tables as at 30 June 2015 and 30 June 2016. **Since 30 June 2015, total Nickel Resources have increased by 103,200t contained nickel, a significant 47% uplift.**

Table 6: Group Mineral Resource and Reserve Tables (30 September 2016)

| Category | 30 Sep 2016 | 30 June 2016 | 30 June 2015 |
|--|----------------------------------|----------------------------------|---------------------|
| Total Nickel Resources | 321,800 tonnes | 256,300 tonnes | 218,600 tonnes |
| Total Nickel Reserves | 22,300 tonnes | 22,300 tonnes | 45,700 tonnes |
| Total Copper Resources | 104,700 tonnes | 83,200 tonnes | 68,300 tonnes |
| Total Copper Reserves | 11,500 tonnes | 11,500 tonnes | 24,600 tonnes |
| Total Cobalt Resources | 15,300 tonnes | 10,400 tonnes | 7,700 tonnes |
| Total Cobalt Reserves | 900 tonnes | 900 tonnes | 2,200 tonnes |
| Total Gold Resources | 1.25 million ounces ¹ | 1.27 million ounces ² | 2.43 million ounces |
| Total Platinum and Palladium Resources | 2.80 million ounces | 2.80 million ounces | 2.80 million ounces |

¹ Excludes the Gum Creek Mineral Resources that are not compliant with 2012 JORC (Orion, Omega, Eagles Peak and Deep South)

² On 31 July 2015, the Company sold its 70% interest in the Mt Henry Gold Project.

Further details on 2016 Group Resources and Reserves Tables, including the Material Information Summary, the 2012 JORC Compliance Tables and the Competent Persons Statements are provided in the Company's ASX announcements of 24 August 2016 (Savannah North Mineral Resource), 30 September 2016 (Group Mineral Resource and Reserve Tables as at 30 June 2016) and 14 October 2016 (Gum Creek Gold Project Mineral Resources).

No New Information or Data

This announcement contains references to exploration results, Mineral Resource and Ore Reserve estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Corporate

Liquid Assets and Debt

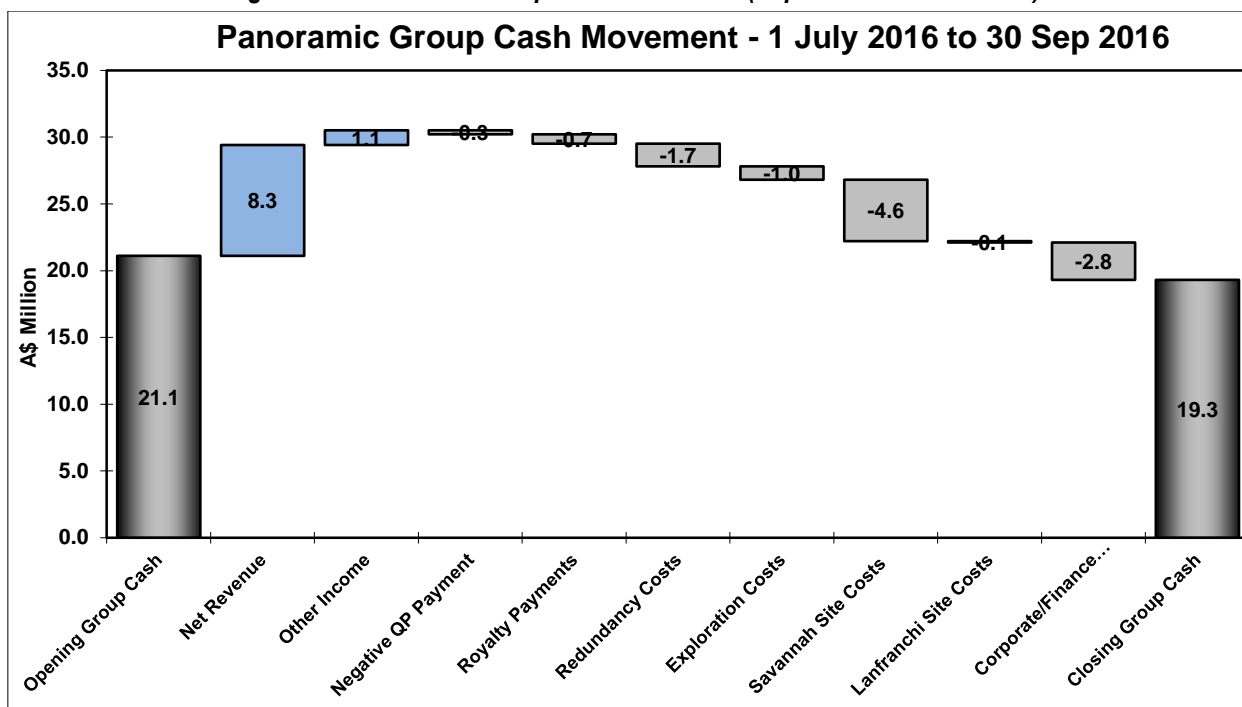
Liquid assets at the end of the quarter totalled \$20 million, comprising ~\$19 million in cash and ~\$1 million of receivables. The movement in liquid assets included the following transactions:

- \$8.3 million in nickel concentrate sales;
- \$1.0 million income from selling redundant mobile equipment and spares;
- \$1.7 million in redundancy costs across the Group;
- \$0.5 million in exploration drilling at Savannah North; and
- \$0.5 million on exploration and evaluation activities at Gum Creek.

At 30 September 2016, \$1.8 million is cash-backed against the drawn amount on the Company's performance bond facility.

Aggregate movements in the Group Cash balance over the quarter are shown in Figure 5.

Figure 5 – Panoramic Group Cash Movement (September 2016 Quarter)



Group finance leases for mobile equipment and insurance premiums at 30 September 2016 totalled approximately \$1.4 million.

Perth Office

Following on from the operational changes made at the Savannah Project since January 2016, staffing and remuneration levels in the Perth Office have been reviewed by the Board on several occasions and there has been a significant reduction in staff over the course of 2016.

In August, the Board reviewed executive salaries and requested that all senior executives accept a 10% reduction in base salary. These cuts came after the non-executive directors agreed to a ~35% reduction in director fees, effective 1 March 2016.

About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and produced 19,301t contained nickel in FY2015. The Lanfranchi and Savannah Projects were placed on care and maintenance in November 2015 and May 2016 respectively.

Following the successful development of the nickel projects, the Company diversified its resource base to include gold and platinum group metals (PGM). The Gold Division consists of the Gum Creek Gold Project located near Wiluna in which the Company has announced plans to partially spin out the Project via an initial public offer (IPO) of a new listed entity, Horizon Gold Limited (proposed ASX Code: HRN). The PGM Division consists of the Panton Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada, in which Rio Tinto is earning 70% by spending up to C\$20 million over five years.

Panoramic has been a consistent dividend payer and has paid out a total of \$114.3 million in fully franked dividends since 2008. At 30 September 2016, Panoramic had \$20 million in liquid assets and no bank debt.

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. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record.

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