Quarterly Report

PANORAMIC RESOURCES LTD

vision
commitment
results

31 January 2012 *ASX: PAN*

Quarterly Report for the period ending 31 December 2011

Significant Points

GROUP

- Safety - a further **8% reduction in all reported injuries**, two LTIs reported
- Cash and receivables - **$90 million** at the end of the quarter, $13 million generated in free cash flow
- Costs - Group payable cash costs **down 11% to A$5.61/lb Ni**
- Production - **up 17% to 5,173t Ni contained**
- Group full year production target **- increased to 18,500-19,000t Ni contained** (up from 17,500-18,500t)

SAVANNAH NICKEL

- Production - **2,653t Ni in concentrate, up 29% quarter-on-quarter and a new quarterly production record**
- Shipments - 30,698t of concentrate, 2,313t Ni contained
- Costs - payable cash costs **A$4.84/lb Ni**, **13% lower than the previous quarter**

LANFRANCHI NICKEL

- Production - 2,520t Ni in ore, **up 6% quarter-on-quarter**
- Costs - payable cash costs A$6.56/lb Ni, **7% lower than the previous quarter**
- **New discovery - Jury-Metcalfe Zone identified close to existing underground development**

GIDGEE GOLD

- Regional drilling activities substantially increased with multiple targets tested
- Open pit optimisation work on going
- Re-commissioning - long lead time planning activities commenced

EXPLORATION

- Lanfranchi – new Jury-Melcalfe discovery, planning to drill test strong off-hole anomaly down plunge of Deacon
- East Kimberley JV - numerous targets prioritised and heritage clearance applications lodged
- Drake Alliance - airborne and gravity survey data received, new anomalies identified

CORPORATE

- Investments - Panoramic has agreed to subscribe for 4.83 million shares ($2.9 million) in Hot Chili placement
- Hedge Book - $16 million “in the money” as at 31 December 2011
- December half year financial results – net after tax loss of $3-$4 million anticipated (preliminary and unaudited)

Managing Director's Commentary

- **Safety and Environment** - there was a further 8% reduction in the number of all reported injuries over the quarter which is pleasing and reflects the continued efforts of all our employees and contractors. However we did report two LTIs.

- **Production** - total Group nickel production contained in concentrate and ore was 5,173 tonnes, up 17% quarter-on-quarter. Savannah had a record quarter, reporting a 29% increase in nickel production. Lanfranchi was up 6% following a below forecast result in the September quarter. Based on the strong first half performance and a re-forecast by both sites, the Group FY 21012 nickel production target has been increased from 17,500-18,500t to 18,500-19,000t Ni contained.

- **Liquid Assets** - cash and receivables totalled $90 million. The operations generated $13 million in free cash flow (after working capital movements) during the quarter while significant capital expenditure included a total of $6 million on the new concentrate shed at Wyndham and the Lanfranchi village. There was also $4 million in negative quotational period pricing adjustments on September quarter deliveries due to lower nickel prices.

- **Gidgee Gold Project** - open pit optimisation study work continued with the primary focus on the Swan Bitter and Gannet/Swift/Vigilant resources. Exploration drilling continued and has now started to return some positive results as tabled in this report. The airstrip was re-commissioned and weekly charter flights commenced operating into Gidgee during January. Detailed planning commenced on areas that will require work to re-commission Gidgee (ie. development personnel, environmental studies, metallurgy, services, etc).

- **Exploration** - exploration activities continued on several fronts in Australia and overseas. We are pleased to report the following positive progress:
  - drilling down-plunge of Skinner discovered the new Jury-Metcalfe mineralised zone;
  - further EM conductors reported down-plunge of Deacon;
  - multiple drilling targets defined on the East Kimberley JV from geophysical surveys;
  - multiple geophysical targets defined on the Scandinavian JV from EM surveys; and
  - drilling at Gidgee starting to return some positive results.

- **Cost Management** - the Group's average payable nickel cash cost was A$5.61/lb, which was 11% lower than the previous quarter. The record production quarter at Savannah and the improved quarter at Lanfranchi were the main reasons for the reduction. The focus on productivity and cost reduction remains a priority for the business given the continued tightness in the WA mining sector labour market, the strong A$ and the volatility in overseas markets impacting on global commodity prices.

- **Hedging** - the Company continues to actively manage its exposure to the US$ Ni price and US$/A$ exchange rate via the use of commodity and currency forwards and derivatives to protect operating margins. For the remainder of FY2012, the Company has an attractive hedge book with 1,350t of sold nickel forwards at an average US$25,462/t (US$11.55/lb), and 675t of nickel forwards at US$26,468/t (US$12.00/lb) for FY2013. Together with currency protection, the hedge book at 31 December 2011 had an "in the money" valuation of $16 million.

- **Half Year Financial Results** - the Company' anticipates posting a small net after tax loss in the vicinity of $3-$4 million when the first half financial results are released at the end of February. The combination of lower A$ net revenue and higher depreciation and amortisation (due to the commencement of mining of the Schmitz orebody at Lanfranchi), more than offset the strong Group production resulting in the small net after tax loss.

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 December 2009 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

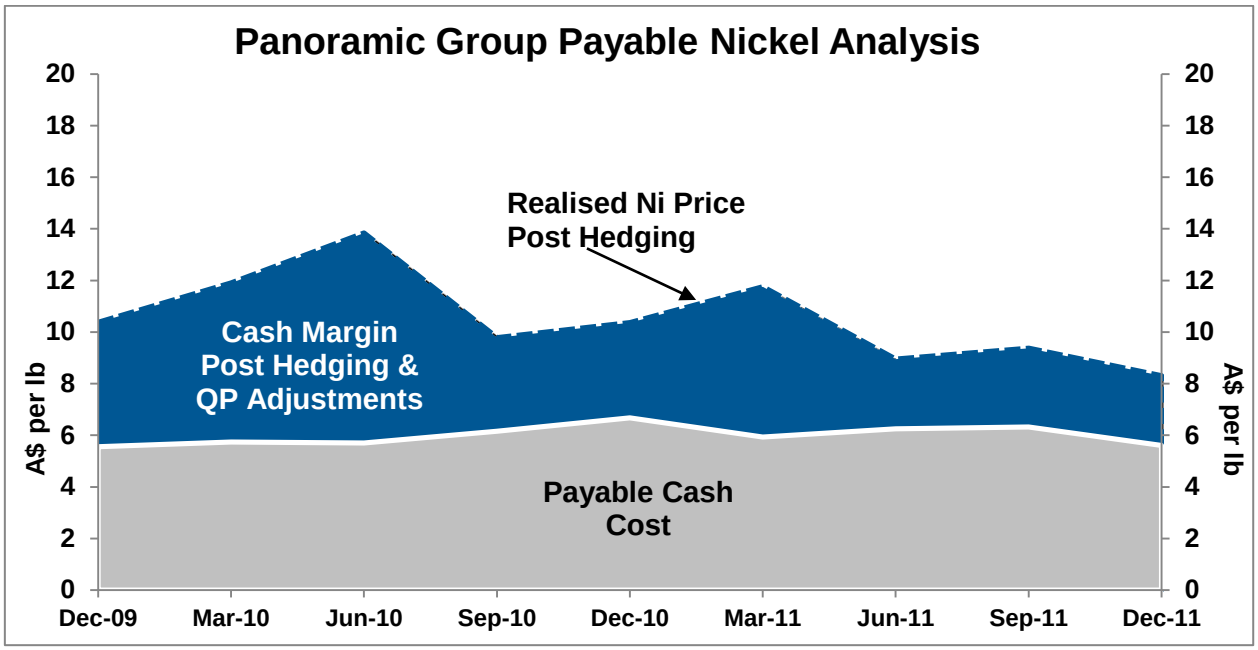


Table 1: Group Production & Unit Costs

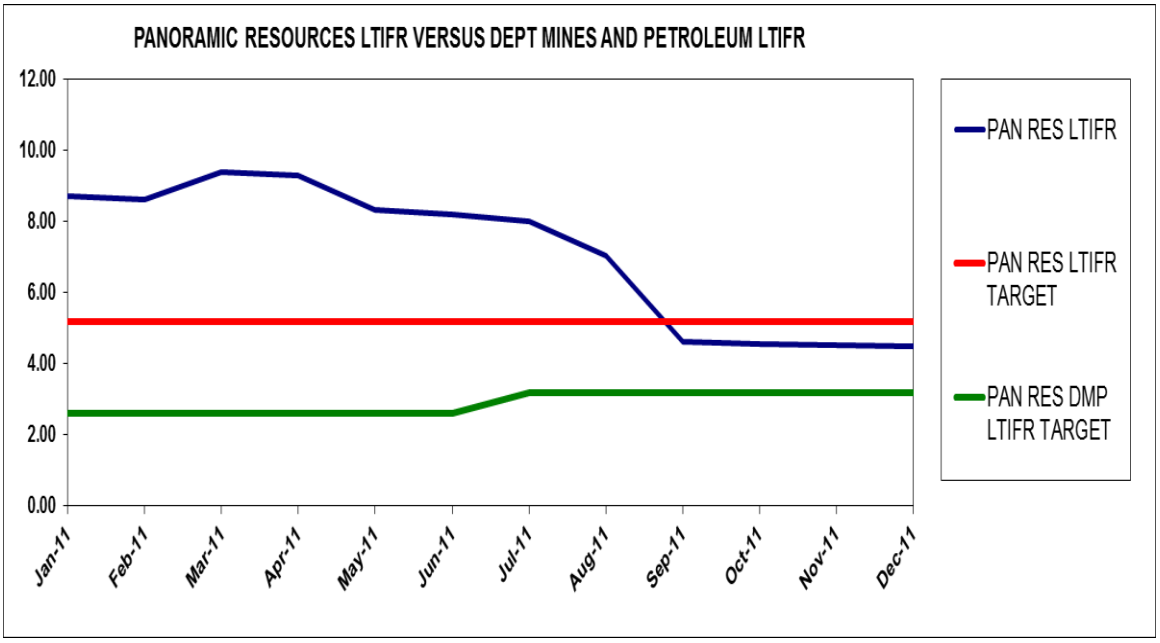
	Units	Savannah 3mths ending 31 Dec 2011	Lanfranchi 3mths ending 31 Dec 2011	Total Group 3mths ending 31 Dec 2011	Total Group Previous Qtr Sep 2011
Ore Mined	dmt	173,578	108,080	281,658	268,885
Average Mined Nickel Grade	%	1.79	2.33	2.00	1.82
Nickel in Ore Mined	dmt	3,108	2,520	5,628	4,894
Nickel in Concentrate/Ore	tonnes	2,653	2,520	5,173	4,440
Copper in Concentrate/Ore	tonnes	1,501	259	1,760	1,335
Cobalt in Concentrate/Ore	tonnes	140	-	140	113
Costs Per Pound Payable Nickel					
Mining	A$ per lb	2.98	4.40	3.61	4.20
Milling	A$ per lb	1.25	-	0.69	0.70
Administration	A$ per lb	1.43	0.44	0.99	1.08
Payable Operating Cash Costs (Mine Gate)	**A$ per lb**	**5.66**	**4.84**	**5.29**	**5.98**
Haulage	A$ per lb	0.25	0.30	0.27	0.27
Port Charges/Shipping	A$ per lb	0.32	-	0.18	0.15
Ore Treatment	A$ per lb	-	1.32	0.59	0.62
Net By-product Credits	A$ per lb	(1.88)	(0.25)	(1.15)	(1.19)
Royalties	A$ per lb	0.49	0.35	0.43	0.49
Total Payable Operating Cash Costs[(a)]	**A$ per lb**	**4.84**	**6.56**	**5.61**	**6.32**
Total Payable Operating Cash Costs [(b)]	***US$ per lb***	***4.90***	***6.64***	***5.68***	***6.63***

(a) Group capital development cash cost for the quarter was A$0.69/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 December 2011 quarter RBA US$/A$ settlement rate of US$1.0118 (Average September 2011 quarter exchange rate was US$1.0492).

Safety

Two lost time injuries (LTI's) were incurred during the quarter. Despite this, the 12 month moving average Group LTI Frequency Rate (LTIFR) continued to trend down, standing at 4.49 at the end of the quarter, resulting in a 48% reduction in 2011. Overall, there was an 8% reduction in the number of all reported injuries, quarter on quarter. The chart below shows the fall in the Group LTIFR in comparison to the Group's internal target (5.18) and the LTIFR Target (3.2) set by the WA Department of Mines and Petroleum.



Health, Safety, Environment Quality (HSEQ) Integrated Management System Business Improvement Initiatives

Milestones during the quarter included:

- A review of the Lanfranchi Operation Business Disruption and HSE Risk Profile completed; commenced work on a review of the Savannah Operation Risk Profile, ongoing risk profiling work with Group services;
- Revised draft Contractor Management System completed;
- Draft Principal Hazard Management Plan model aligned to the National Mine Safety Framework developed; and
- Safe Work with Energy System audit completed at both operations.

Environment

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

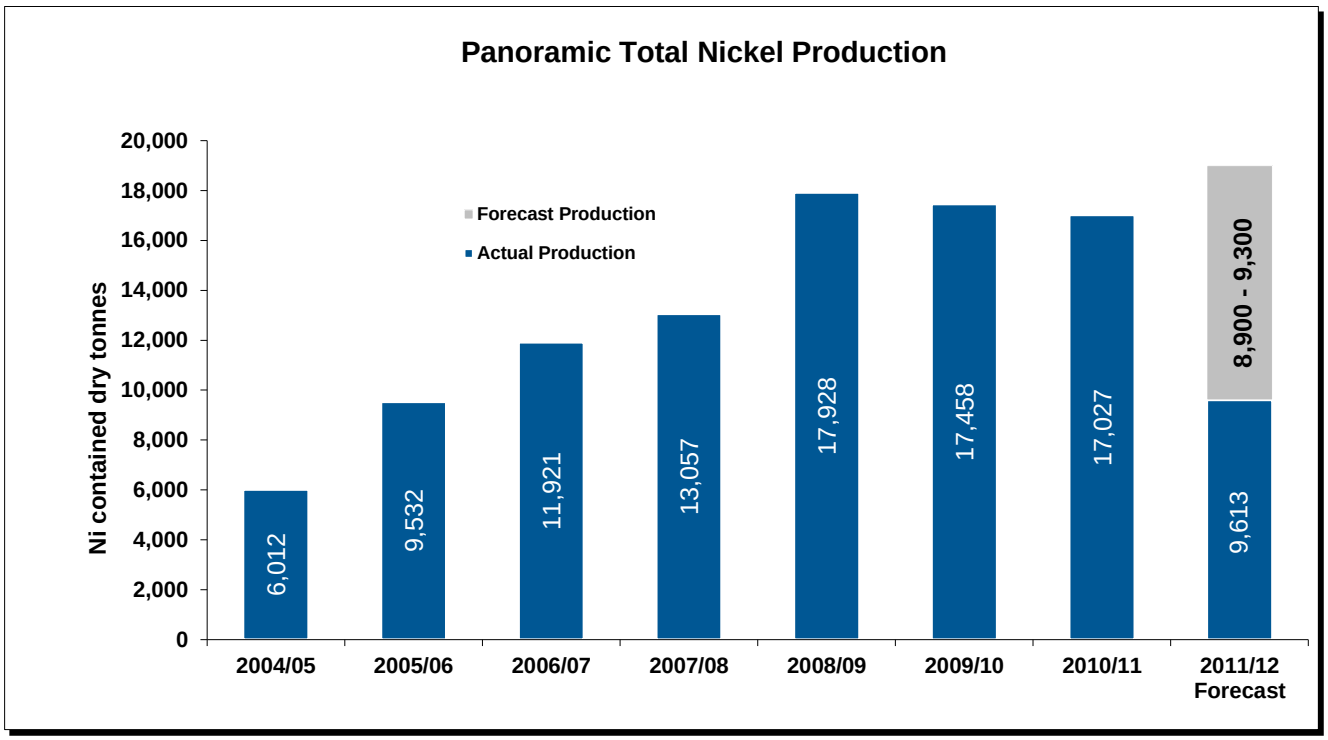
Group Production – Actual & Forecast

The Group produced 9,613 tonnes Ni contained in concentrate/ore for the six months to 31 December 2011, which was above forecast.

Increase in FY2012 Production Guidance

Based on the strong half year and re-forecasts from both sites for the balance of the financial year, the Group is forecasting production of between 18,500-19,000t Ni contained in concentrate/ore for FY2012, up from the previous guidance of 17,500-18,500t.

Figure 2 – Actual Group Production & Forecast for FY2012



Notes

1. *Savannah production is based on nickel in concentrate*
2. *Lanfranchi production is based on nickel in ore*
3. *Copernicus production in 2009/10 was based on nickel in concentrate*

Photo 1: Lanfranchi Team

Savannah Nickel Project

The December quarter saw a new **quarterly production record** of 2,653t Ni, 1,501t Cu and 140t Co contained in concentrate. Ore tonnes milled was 3% above the September quarter, while the average nickel grade milled of 1.79% was up 20%, quarter-on-quarter. As a consequence of the higher nickel grade and the increased mill throughput (up 12%), payable unit cash costs were 13% lower than the September quarter.

The strong production resulted in higher port stocks than anticipated at Wyndham. At the end of the quarter, there was 7,749t of concentrate remaining to be shipped (approximately 580t Ni contained at a current gross value of $11 million). The bulk of this was shipped in January.

Construction of the new concentrate shed at the port was completed in January at a capital cost of $7.8 million. The new shed has a capacity of 15,000t concentrate and has been built to the highest cyclone rating required for the Wyndham district (*Photo 2 and Photo 3)*.

Four concentrate shipments containing 2,313t of nickel metal were exported through the Port of Wyndham to Jinchuan during the quarter.

Table 2 – Savannah Project Operating Statistics

Area	Details	Units	3 mths ending 31 Dec 2011	3 mths ending 30 Sep 2011	2011/12 YTD	2010/11 Full Year
Mining	Ore mined	dmt	**173,578**	168,138	341,716	595,944
	Ni grade	%	**1.79**	1.49	1.64	1.35
	Ni metal contained	dmt	**3,108**	2,508	5,616	8,055
	Cu grade	%	**0.89**	0.75	0.82	0.64
	Co grade	%	**0.09**	0.08	0.08	0.07
Milling	Ore milled	dmt	**177,168**	157,508	334,676	600,837
	Ni grade	%	**1.74**	1.51	1.63	1.34
	Cu grade	%	**0.89**	0.76	0.83	0.64
	Co grade	%	**0.09**	0.08	0.09	0.07
	Ni Recovery	%	**86.1**	86.1	86.1	85.7
	Cu Recovery	%	**95.3**	96.9	96.0	95.8
	Co Recovery	%	**90.3**	90.4	90.3	88.7
Concentrate Production	Concentrate	dmt	**35,727**	27,273	63,000	90,747
	Ni grade	%	**7.43**	7.53	7.47	7.63
	Ni metal contained	dmt	**2,653**	2,054	4,707	6,921
	Cu grade	%	**4.20**	4.23	4.21	4.07
	Cu metal contained	dmt	**1,501**	1,154	2,655	3,689
	Co grade	%	**0.39**	0.41	0.40	0.42
	Co metal contained	dmt	**140**	113	253	379
Concentrate Shipments	Concentrate	dmt	**30,698**	27,142	57,840	91,743
	Ni grade	%	**7.54**	7.44	7.49	7.60
	Ni metal contained	dmt	**2,313**	2,020	4,333	6,976
	Cu grade	%	**4.22**	4.16	4.19	4.05
	Cu metal contained	dmt	**1,295**	1,129	2,424	3,714
	Co grade	%	**0.39**	0.41	0.40	0.41
	Co metal contained	dmt	**120**	112	232	377

Photo 2: Interior view of the new concentrate shed at the Port of Wyndham

Photo 3: Outside view of the new concentrate shed

Lanfranchi Nickel Project

Production from Lanfranchi was 108,080t of ore at 2.33% Ni for 2,520t Ni contained. Nickel metal in ore was 6% above the previous quarter while the average mined nickel grade was down marginally to 2.33%.

In contrast to the previous quarter where stope availability had been restricted due to a major capital upgrade to the paste plant, the successful recommissioning of the paste plant in late September enabled all areas of the mine to operate at forecast levels in the December quarter. Equipment productivity and availability rates were also improved due to increased heading availability.

In addition to the extension work on the paste plant in the September quarter, additional productivity improvements were made to the paste plant with the introduction of higher speed vibrating motors on the conveyor screen, a new screening unit to pre-condition tailings and the use of less coarse tailings to achieve a better paste composition. These incremental improvements have assisted in the project achieving higher production levels, with a production target of 50,000t of ore for January 2012.

Table 3 – Lanfranchi Project Operating Statistics

Area	Details	Units	3mths ending 31 Dec 2011	3mths ending 30 Sep 2011	2011/12 YTD	2010/11 Full Year
Mining	Ore mined	dmt	**108,080**	100,747	208,827	412,403
	Ni grade	%	**2.33**	2.37	2.35	2.45
	Ni metal contained	dmt	**2,520**	2,386	4,906	10,106
	Cu grade	%	**0.24**	0.18	0.22	0.21
Ore Delivered	Ore delivered	dmt	**110,108**	101,703	211,811	408,351
	Ni grade	%	**2.35**	2.38	2.36	2.44
	Ni metal contained	dmt	**2,583**	2,425	5,008	9,964
	Cu grade	%	**0.24**	0.18	0.21	0.21

Gidgee Gold Project

Background

The Gidgee Gold Project is located 640km NE of Perth and 130km SW of Wiluna and covers approximately 1,200km^2 of the Gum Creek greenstone belt. The central core of the area is held as granted Mining Leases, which cover a 70km long structural corridor. Over one million oz Au has been mined from the Gidgee leases since the 1920s with the majority of that production between 1987 and 2005.

Figure 3: Location Plan

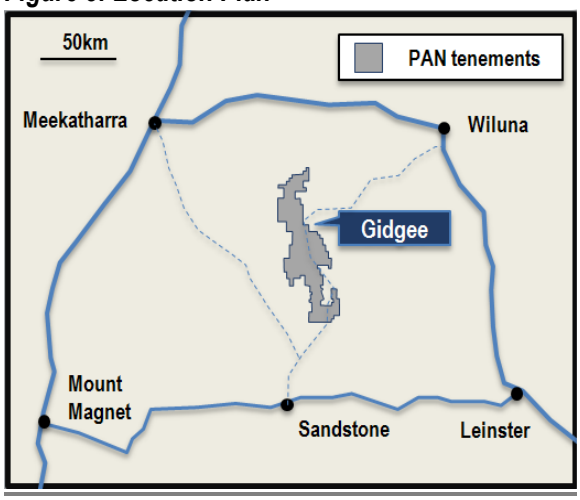
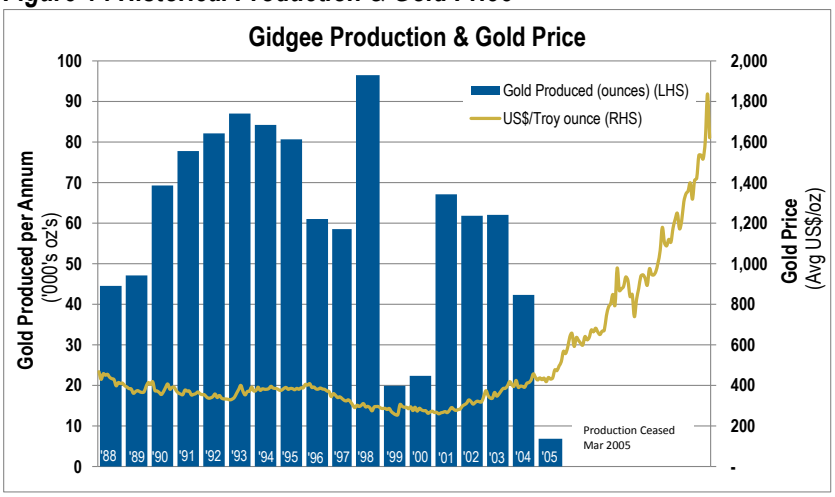


Figure 4 : Historical Production & Gold Price



Exploration & Production Strategy

Open pit optimisation using current gold prices continued during the quarter. This work is aimed at proving up sufficient reserves that will allow gold production to re-commence at Gidgee.

As previously reported, initial indications are that the existing 600,000tpa plant can be re-commissioned at an estimated capital cost of circa $20 million. The existing infrastructure (plant, 150 person village, airstrip, roads, amenities) could enable Panoramic to re-commission Gidgee within 12-18 months should sufficient ore reserves be delineated, subject to all necessary statutory approvals and attractive project economics.

Exploration Highlights

Exploration activities increased significantly at Gidgee during the December quarter. A second regional AC program was completed and additional RC resource verification drilling commenced late in the quarter.

Regional Exploration

A three week program of geological mapping was completed during the quarter covering an area between Cobia to Camel Bore to Eagles Peak (*Figure 5*).

Final assay results for the 425 hole (23,389m) Gidgee AC program completed during the September 2011 quarter were received during the quarter. Selective results are summarised in Table 4 for intercepts greater than 5 gram metres gold. A full list of assay results is presented in Appendix 2.

Table 4 – Summary of September 2011 Quarter Aircore Assay Results [greater than 5 gram metres gold*]

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0105	33	36	3m @ 2.46 g/t	739850	6980060	514.29	Kingfisher	-90	0
GPAC0109	33	42	9m @ 4.07 g/t	739650	6980060	514.51	Kingfisher	-90	0
GPAC0120	81	85	4m @ 1.69 g/t	739650	6980250	514.74	Kingfisher	-90	0
GPAC0137	42	45	3m @ 18.10 g/t	735900	7012094	560	Wahoo	-60	90
GPAC0157	18	27	9m @ 3.80 g/t	735900	7011700	554	Wahoo	-60	90
GPAC0158	48	54	6m @ 0.96 g/t	735850	7011697	553	Wahoo	-60	0
GPAC0173	48	51	3m @ 2.49 g/t	736250	7009475	548	Cobia	-90	0
GPAC0175	57	60	3m @ 2.78 g/t	736350	7009475	548	Cobia	-90	0
GPAC0307	12	13	1m @ 8.54 g/t	736150	7026656	610	Fangio	-90	0
GPAC0390	30	33	3m @ 1.73 g/t	743750	6967210	504	Reliance	-90	0
GPAC0411	51	57	6m @ 0.94 g/t	743810	6966810	503	Kensei	-90	0
GPAC0419	24	30	6m @ 1.09 g/t	743650	6966600	504	Kensei	-90	0
GPAC0419	84	87	3m @ 2.29 g/t	743650	6966600	504	Kensei	-90	0
GPAC0421	27	33	6m @ 1.08 g/t	743750	6966600	504	Kensei	-90	0
GPAC0421	96	105	9m @ 1.43 g/t	743750	6966600	504	Kensei	-90	0
GPAC0422	114	117	3m @ 2.49 g/t	743800	6966600	503	Kensei	-90	0
GPAC0425	21	24	3m @ 1.68 g/t	743950	6966600	503	Kensei	-90	0
GPAC0429	36	39	3m @ 1.92 g/t	743650	6966400	503	Kensei	-90	0
GPAC0430	24	30	6m @ 1.21 g/t	743650	6966400	503	Kensei	-90	0
GPAC0430	33	36	3m @ 2.05 g/t	743650	6966400	503	Kensei	-90	0
GPAC0466	18	24	6m @ 2.32 g/t	743600	6965400	504	Sth Reliance	-90	0

Notes: ** width (m) x grade (g/t) > 5*
Assay results are based on 3 metre composite samples and a minimum cutoff grade of 0.50g/t Au.

A second AC program (comprising 222 holes for 18,683 drill metres) was also completed during the quarter. Holes covered targets at Kingston Town, Think Big, Deep South, Manakado and Intrepid/Victory (*Figure 5*). To date, not all assays have been received for this program. Selective results are summarised in Table 5 for intercepts greater than 5 gram metres gold. A full list of assay results is presented in Appendix 3.

Table 5 – Summary of December 2011 Quarter Aircore Results [greater than 5 gram metres gold]

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0474	28	32	4m @ 2.74 g/t	743801	6964350	501	Kingston Town	-90	0
GPAC0481	40	44	4m @ 1.88 g/t	743969	6964350	500	Kingston Town	-90	0
GPAC0482	24	28	4m @ 2.08 g/t	743825	6964251	501	Kingston Town	-90	0
GPAC0483	36	40	4m @ 1.32 g/t	743849	6964250	501	Kingston Town	-90	0
GPAC0484	60	64	4m @ 1.52 g/t	743874	6964252	501	Kingston Town	-90	0
GPAC0490	32	40	8m @ 1.05 g/t	743823	6964151	501	Kingston Town	-90	0
GPAC0492	36	44	8m @ 0.96 g/t	743876	6964150	501	Kingston Town	-90	0
GPAC0494	36	44	8m @ 1.44 g/t	743925	6964150	500	Kingston Town	-90	0
GPAC0495	48	52	4m @ 1.51 g/t	743949	6964150	500	Kingston Town	-90	0
GPAC0506	36	44	8m @ 1.30 g/t	743235	6964090	503	Think Big	-90	0
GPAC0514	36	40	4m @ 1.58 g/t	743828	6965241	502	Deep South	-60	270
GPAC0515	36	40	4m @ 1.55 g/t	743820	6965220	501	Deep South	-60	270
GPAC0516	44	48	4m @ 2.16 g/t	743830	6965220	502	Deep South	-60	270
GPAC0516	52	60	8m @ 1.21 g/t	743830	6965220	502	Deep South	-60	270
GPAC0520	28	36	8m @ 7.87 g/t	743250	6963790	503	Think Big	-90	0
GPAC0521	16	20	4m @ 6.73 g/t	743240	6963790	503	Think Big	-90	0
GPAC0523	28	36	8m @ 2.03 g/t	743250	6963685	503	Think Big	-90	0
GPAC0524	12	24	12m @ 2.81 g/t	743267	6963638	503	Think Big	-90	0
GPAC0524	32	36	4m @ 2.17 g/t	743267	6963638	503	Think Big	-90	0
GPAC0525	20	24	4m @ 2.74 g/t	743250	6963638	503	Think Big	-90	0
GPAC0526	16	24	8m @ 1.01 g/t	743236	6963637	503	Think Big	-90	0
GPAC0528	124	128	4m @ 1.43 g/t	743225	6963950	503	Think Big	-90	0
GPAC0531	116	124	8m @ 1.05 g/t	743200	6964000	503	Think Big	-90	0
GPAC0536	80	84	4m @ 1.94 g/t	743275	6964000	503	Think Big	-90	0
GPAC0543	84	96	12m @ 2.43 g/t	743175	6964150	503	Think Big	-90	0
GPAC0544	40	48	8m @ 0.88 g/t	743150	6964150	503	Think Big	-90	0
GPAC0547	104	116	12m @ 1.48 g/t	743200	6964060	503	Think Big	-90	0
GPAC0547	124	132	8m @ 0.97 g/t	743200	6964060	503	Think Big	-90	0
GPAC0551	24	28	4m @ 3.24 g/t	743150	6964005	503	Think Big	-90	0
GPAC0551	48	52	4m @ 1.75 g/t	743150	6964005	503	Think Big	-90	0
GPAC0554	16	24	8m @ 4.26 g/t	743225	6963840	503	Think Big	-90	0
GPAC0556	24	28	4m @ 3.18 g/t	743210	6963790	503	Think Big	-90	0
GPAC0558	28	32	4m @ 2.12 g/t	743640	6964390	501	Kingston Town	-90	0
GPAC0560	32	48	16m @ 1.46 g/t	743680	6964390	501	Kingston Town	-90	0
GPAC0568	24	28	4m @ 1.51 g/t	743640	6964300	501	Kingston Town	-90	0
GPAC0569	48	52	4m @ 1.41 g/t	743680	6964250	501	Kingston Town	-90	0
GPAC0574	28	32	4m @ 3.50 g/t	743665	6964200	501	Kingston Town	-90	0
GPAC0575	36	40	4m @ 2.00 g/t	743650	6964150	501	Kingston Town	-90	0
GPAC0582	28	36	8m @ 1.35 g/t	743150	6963690	503	Manakado	-90	0
GPAC0616	60	68	8m @ 2.69 g/t	738550	6978081	514.1	Victory/Intrepid	-90	0

Note: Results based on 4 metre composite samples and minimum cutoff grade of 0.50g/t Au

Resource Drilling

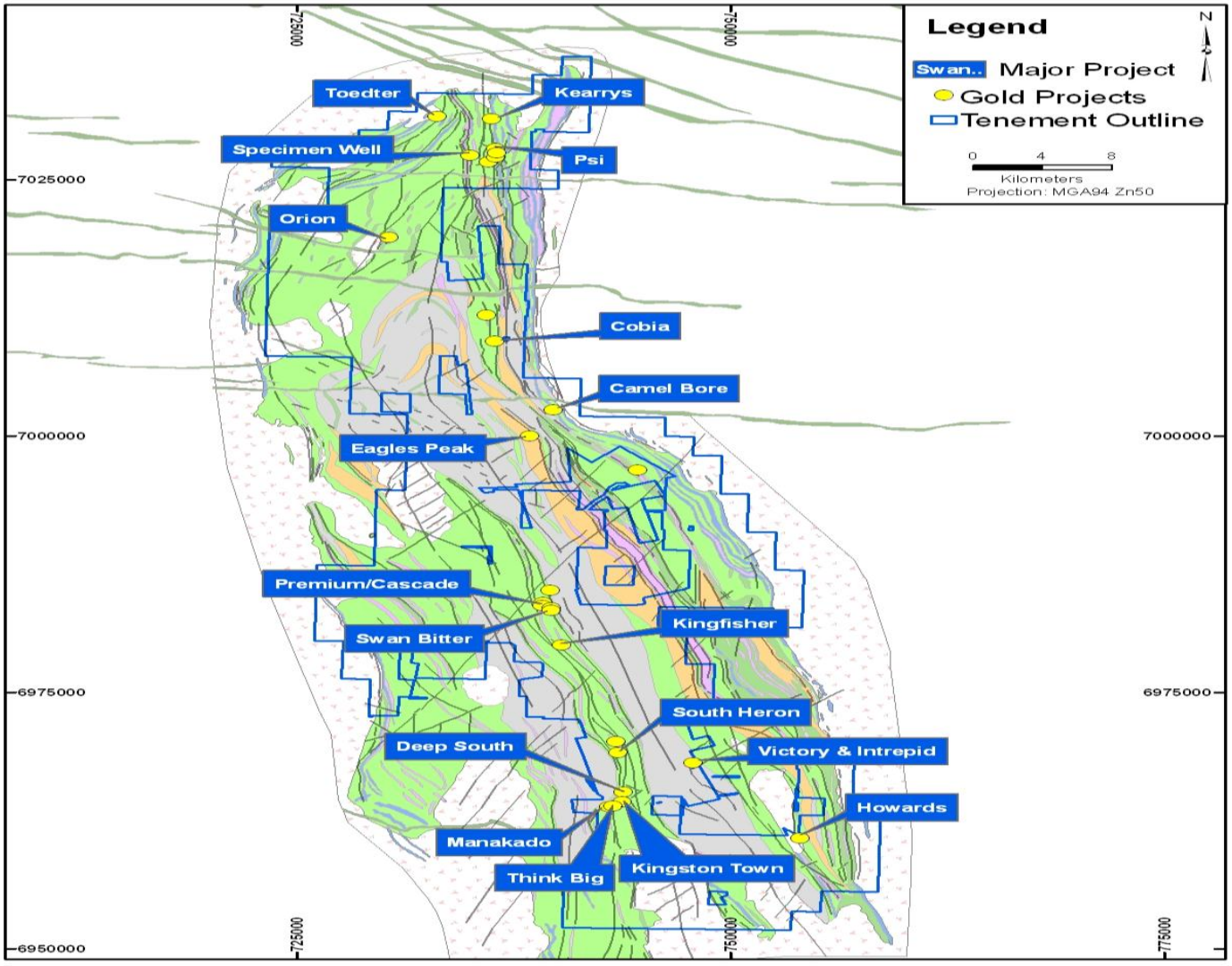
During the second half of 2011, the Company identified a series of conceptual exploration resource targets for drill testing in 2012. To assist in this work, 3D resource block models were created covering a total of 34 historical pits and un-mined prospects known to host gold mineralisation. RC drilling commenced during the December quarter in order to test these targets, validate the models and to begin the process of building on the project's gold resource inventory. By the end of the quarter, 44 RC holes had been completed for a total of 7,821 drill metres, on resource targets at Howards, Swan Bitter, Swift and Heron South. To date, final assay results have been received for the three holes completed at Howards. Selective results are shown in Table 6.

Table 6 – Summary of December 2011 Quarter RC Results

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
HWRC160			NSR	753941	6960512	495	Howards	-60	090
HWRC161	72	84	12m @ 1.32g/t	753954	6960729	496	Howards	-58	089
and	91	112	21m @ 2.55g/t						
including	91	102	11m @ 3.82g/t						
HWRC162	79	89	10m @ 1.82g/t	753954	6960809	496	Howards	-55	088
including	81	86	5m @ 2.98g/t						

Notes: Results based on 1 metre RC samples and minimum cutoff grade of 0.50g/t Au. Gold analyses by FA30 with AAS finish.
NSR – no significant result

Figure 5 – Gidgee Project Target Areas



Copernicus Joint Venture (Panoramic 60%)

Copernicus Open Pit

No activity.

Exploration

Savannah & East Kimberley Regional

Savannah

No field activity. Exploration will resume in 2012 after the end of the wet season.

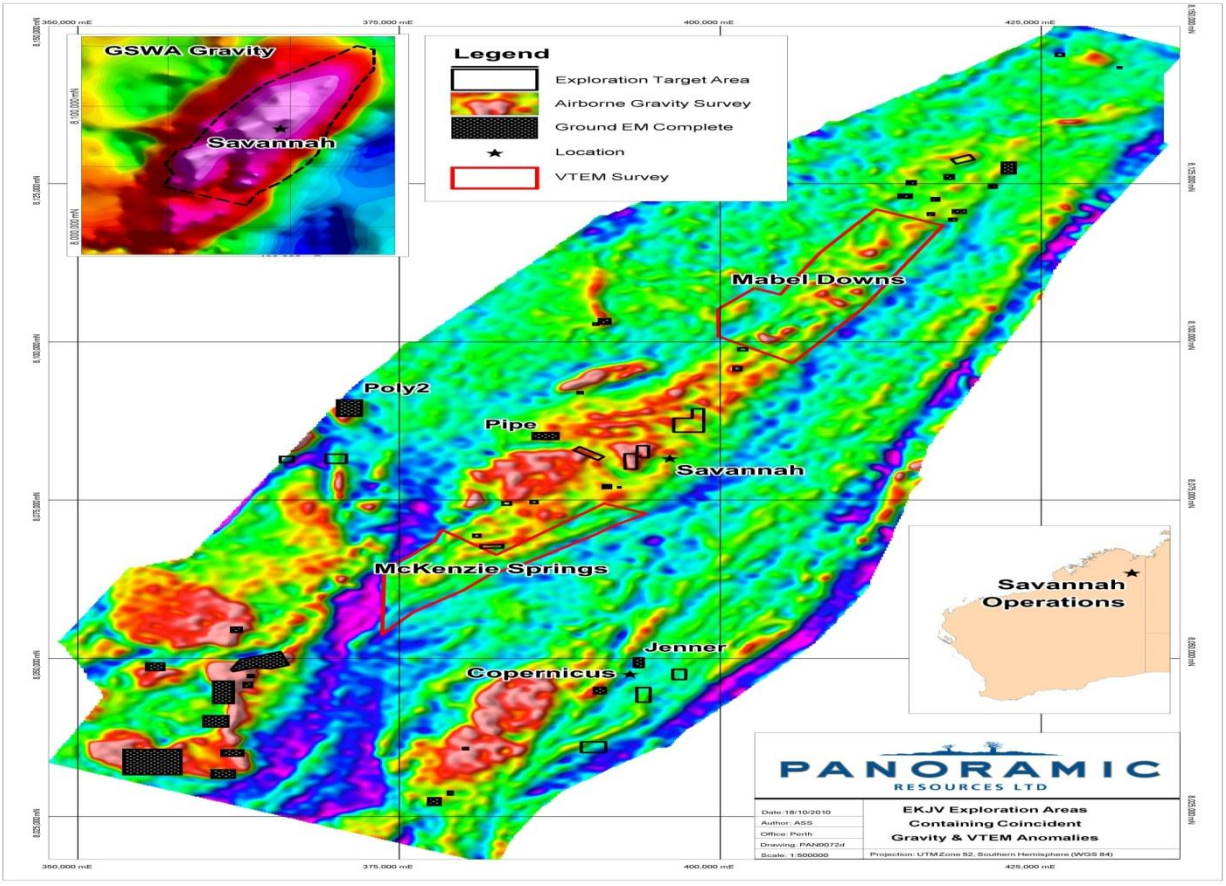
East Kimberley JV (Panoramic 61% or 80%)

Regional

As previously reported, processing and interpretation of the East Kimberley JV regional airborne gravity and airborne electromagnetic (VTEM) surveys data is complete and numerous target areas have been identified for follow-up testing (*Figure 7*). Follow-up FLEM (ground EM) surveying of these targets areas was suspended during the quarter ahead of the wet season. A total of 40 FLEM surveys were completed in 2011 and drill targets and are currently being prioritised. In preparation for drilling in 2012, Heritage Impact Assessment Notices (HIA's) were lodged with the Kimberley Land Council (KLC) and if required, heritage clearances surveys will be completed after the current wet season, clearing the way for drilling to proceed in mid-2012.

The final data for the Mabel Downs and McKenzie Springs VTEM surveys was received during the quarter. Processing and modelling of the survey data is underway and will be completed in the March 2012 quarter.

Figure 7 – EKJV regional gravity gradiometer survey area showing follow-up ground EM target areas



Lanfranchi Project

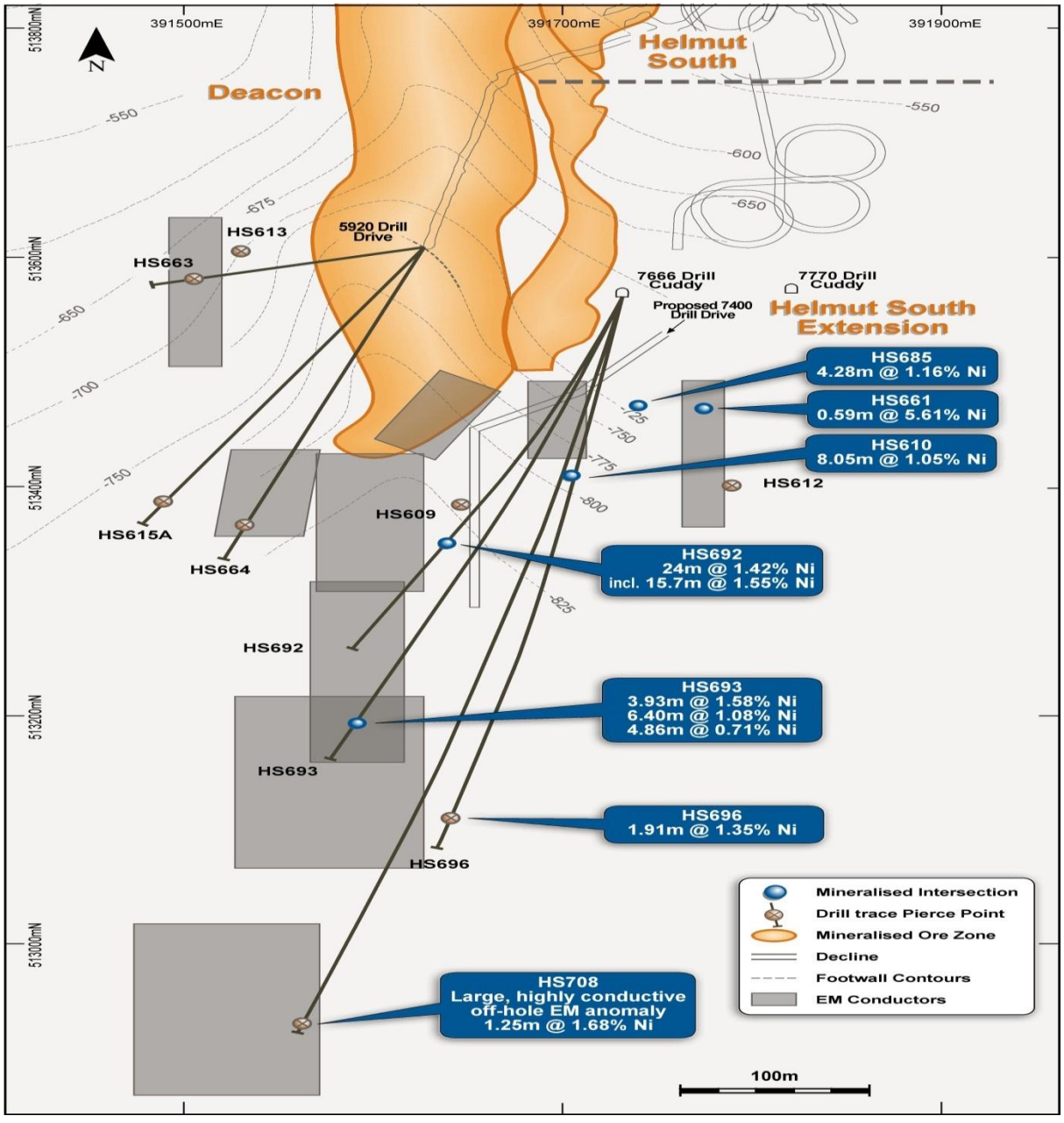
Overview

No surface exploration was conducted at Lanfranchi during the quarter. Underground exploration drilling continued with the completion of 22 drill holes for a total of 5,168.40 drill metres. Thirteen of these holes (totalling 2,366 drill metres) were drilled down plunge of the Skinner orebody and resulted in the discovery of a new zone of mineralisation near existing underground development. This new zone of mineralisation has been named the Jury-Metcalfe after the two Barminco diamond drillers operating the rig at the time.

Deacon-Schmitz

From the 7666 drill cuddy, drill hole HS708 was completed during the quarter bringing to an end the four hole program of platform EM holes designed to explore down-plunge of Deacon (*Figure 8*).

Figure 8 – Plan showing platform EM holes below Deacon



As reported in the ASX release of 5 December 2011, all four platform EM holes (HS692, 693, 696 and 708) intersected weak to moderate grade nickel mineralisation about the ultramafic footwall basalt contact. More importantly, down-hole EM surveys (DHTEM) were successfully completed on each drill hole and all four surveys identified off-hole EM anomalies associated with the interpreted position of the Deacon channel. The modelled plate for the off-hole anomaly associated with HS708 is particularly large and strong, and similar to EM responses previously recorded about the Deacon orebody.

In light of the encouraging results of the Deacon down-plunge testing program, the Company has decided to undertake further testing of the EM anomalies identified by the program. A rig was returned to the 7666 Drill Cuddy late in the quarter to resume testing. Drill hole HS710 was in progress at the end of the quarter targeting the off-hole anomaly associated with HS692. Development of the new 7400 Deacon hanging wall exploration drill drive is ongoing and when completed late in the March 2012 quarter, will enable the Company to systematically drill test down plunge of both Deacon and Helmut South Extension orebodies.

Schmitz/Skinner (Jury-Metcalf Zone) Drilling

During the quarter, an underground exploration drill rig was positioned at the base of the Schmitz decline from where a series of holes was drilled down plunge of Skinner to follow-up historical drill hole SKN103 which in 2006 had intersected 9.70 metres grading 1.74% Ni (*Figure 9*). As reported in the recent ASX release of 11 January 2012, a total of thirteen holes were drilled for 2,366 metres. Six of the drill holes intersected broad intervals of low to moderate grade disseminated to matrix style nickel sulphide mineralisation. These six holes currently define the extent of the Jury-Metcalfe zone. In addition to the Jury-Metcalfe intersections, two of the program holes (SMT228 & 229) intersected thin, moderate grade, massive sulphide mineralisation on the same ultramafic-footwall basalt contact that hosts the Schmitz orebody further to the east. Hole SMT228 returned 5.77m grading 4.12% Ni, while drill hole SMT229 returned 1.14m grading 5.81% Ni. The Jury-Metcalfe zones intersections are summarised in Table 7 and intercept depths clearly show how close the new zone is to existing underground development.

It is likely that there is a considerable down plunge component to each of the Jury-Metcalfe intersections as the mineralisation is open up and down plunge**,** thereby justifying further drilling. It is still too early to accurately determine the width and true thickness of the mineralisation. Drilling has currently been suspended due to the poor drill angles, but will be resumed once a new drill position can be developed. This may involve the development of a new Schmitz hanging wall drill drive.

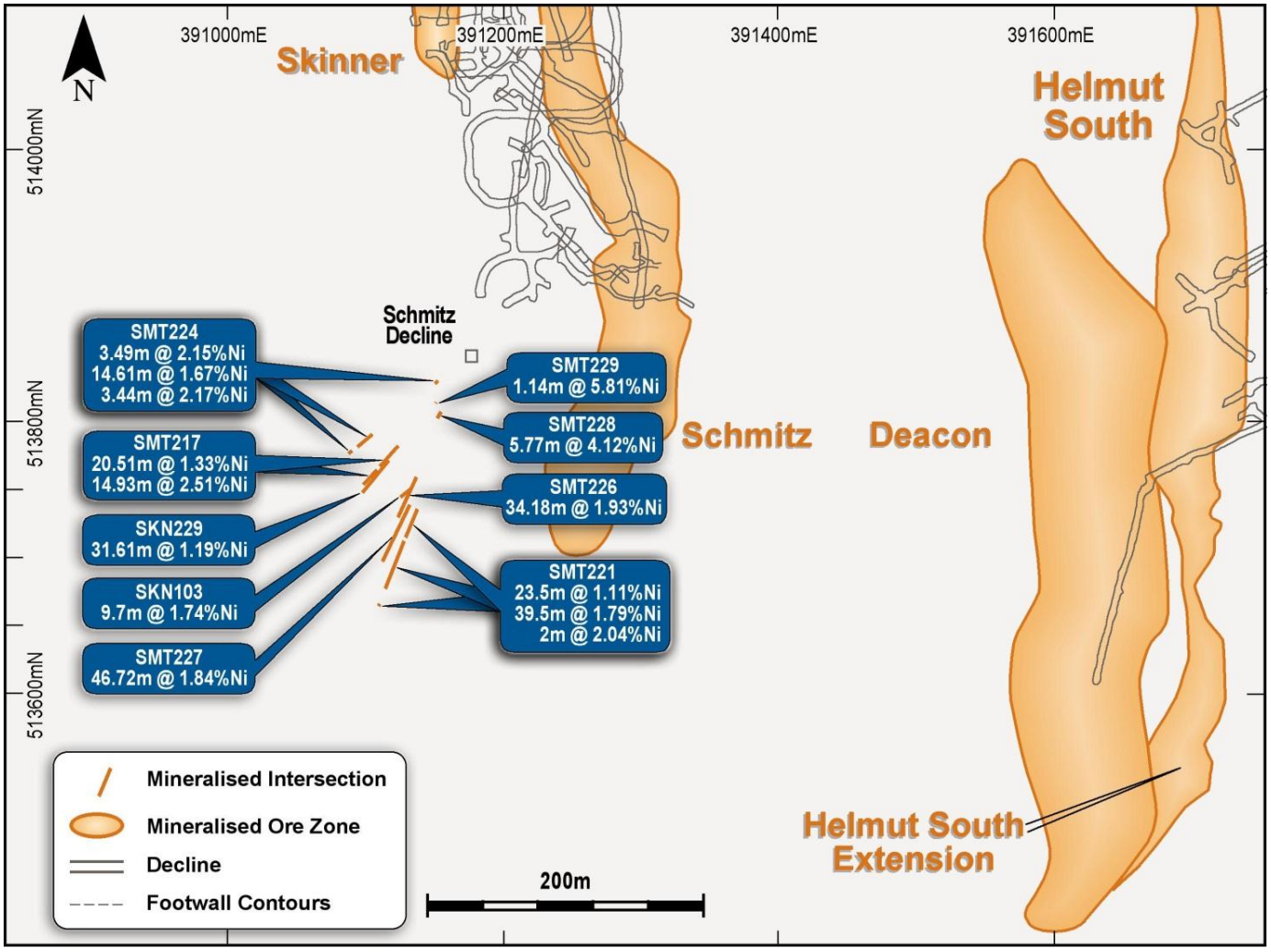
Table 7 – Summary of Jury-Metcalfe drill intercepts

Hole_Id	From (m)	To (m)	Interval (m)	Ni (%)
SMT217	84.48	104.99	20.51	1.33
and	108.11	123.04	14.93	2.51
SMT221	124.05	147.55	23.50	1.11
and	150.50	190.00	39.50	1.79
SMT224	91.46	106.07	14.61	1.67
and	110.60	114.04	3.44	2.17
SMT226	97.82	132.00	34.18	1.93
SMT227	121.28	168.00	46.72	1.84
SMT229	99.14	130.75	31.61	1.19

Lanfranchi Orebody Extension

Development of the new Lanfranchi (17K) hanging wall drill drive was ongoing during the quarter. When completed towards the end of the March 2012 quarter, drilling will resume to test down-plunge of the Lanfranchi orebody.

Figure 9 – Plan showing Jury-Metcalfe Zone Location and drill results



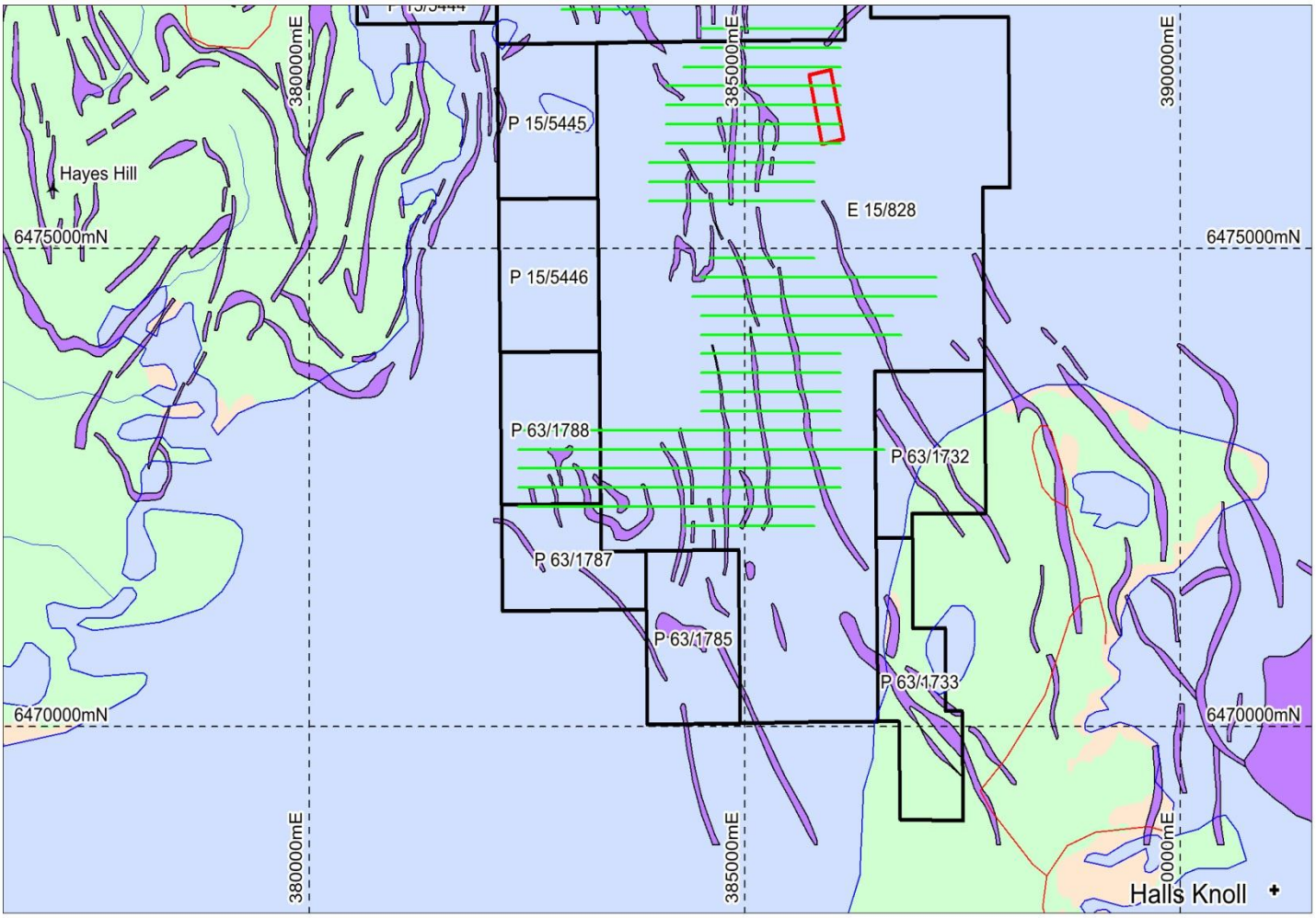
Cowan Nickel Project W.A.(Panoramic holds 100% nickel rights)

Following the comprehensive review of the Cowan Nickel Project in the previous quarter, further work permits were submitted and approved to test a range of targets in 2012. Subject to drill rig availability, the program will commence in the March 2012 quarter and will comprise 23 drill holes for approximately 5,000m.

At Lake Cowan, a total field Samson moving-loop EM survey (MLEM) was carried out to determine the capability of this method on the highly conductive lake surface. This new method was subsequently abandoned and a conventional fluxgate multicomponent slingram configuration MLEM survey was undertaken. Prior to terminating this program in early November due to heavy rains, 25 lines of the 33 line program was completed on Lake Cowan for a total of 590 stations and 56.5 line km. Dependent upon crew availability and access, the survey will resume in the current quarter. One high priority Category 1 EM anomaly was identified along the interpreted strike from the Halls Knoll nickel occurrence. This anomaly will be tested as part of the March 2012 quarter drill program.

The planned MLEM program to complete coverage on all interpreted ultramafics not previously carried out will also commence in the March 2012 quarter. Digital copies of several historic MLEM surveys were acquired during the quarter and are currently being reviewed.

Figure 10 – Plan Lake Cowan showing MLEM coverage and location high priority Category 1 anomaly (in red)



Bluebush Copper-Gold JV, Northern Territory (Panoramic earning up to 80%)

As previously reported, several "bottom of hole" samples from a 42 hole reconnaissance drill program on EL24/967 returned highly anomalous rare earth values of up to 0.43% TREO. The rare earth anomalous samples appear to be related to phosphate rich horizons within a shallow easterly dipping sequence of sediments. Mineralogical studies are ongoing in order to define all the REE phases. Plans are being prepared to undertake further drilling in 2012.

Drake Resources Exploration Alliance - Scandinavia

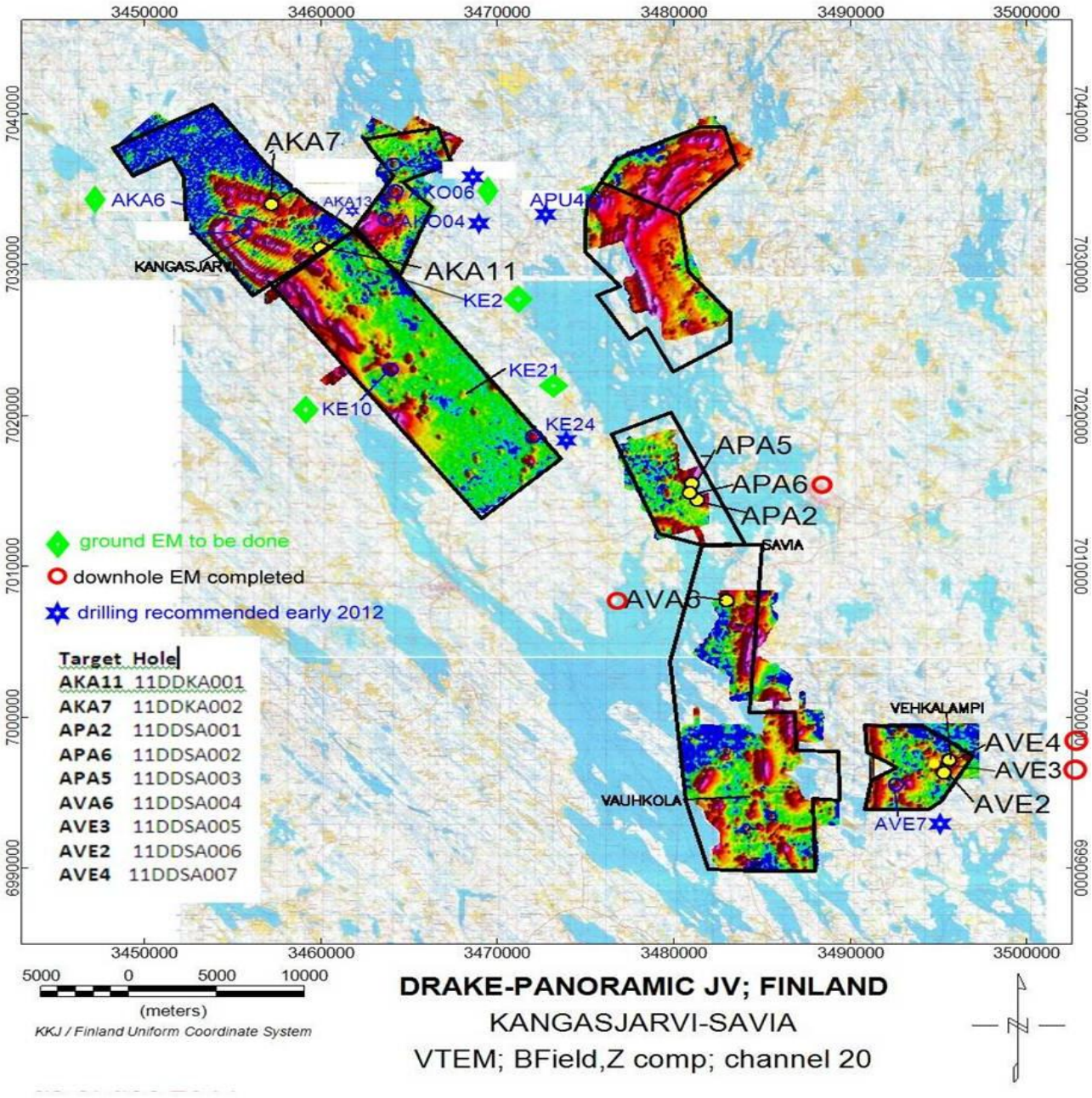
Panoramic and Drake Resources Limited (Drake) have an alliance to identify, explore and develop base and precious metal opportunities across Scandinavia. As part of the alliance, two joint ventures areas have been finalised to explore for Palaeoproterozoic volcanic massive sulphide (VMS) style Cu-Zn mineralisation in Finland. The Kangasjarvi and Savia JV areas are located in the Pyhasalmi-Vihanti region of the Fennoscandian Shield of Finland. The Fennoscandian Shield is one of the most intensely and varied mineralised Palaeoproterozoic terrains in the world, including VMS, iron oxide Cu-Au, orogenic gold and layered intrusions.

During 2011, Panoramic agreed with Drake to establish three new joint ventures to explore for copper-rich massive sulphide mineralisation in Norway. The three Norway JV areas are Løkken, Sulitjelma and Hersjo. Work on these latest three JVs is ongoing.

Finland (Kangisjarvi–Savia Joint Ventures)

During the quarter, DHEM surveys were completed on four of the nine first pass drill holes completed earlier in 2011. The four holes had not adequately explained the source of the VTEM anomalies they targetted. The DHEM data are being modelled to define any off-hole conductors and possible targets for follow up drilling.

Ground gravity surveys were completed over 12 VTEM anomalies to define dense bodies potentially representing massive sulphide mineralisation associated with conductive stratigraphy. These data are being modelled to define targets for follow up drilling. Of the twelve VTEM anomalies tested with gravity, four are high priority drill-ready targets and a further two are lower priority. These targets have been recommended for drill testing in the March 2012 quarter. Due to the presence of a lake at target KE10 (Kangasjarvi), the gravity survey will be completed during the current northern winter while the lake remains frozen.



Norway (Løkken, Sulitjelma & Hersjo Joint Ventures)

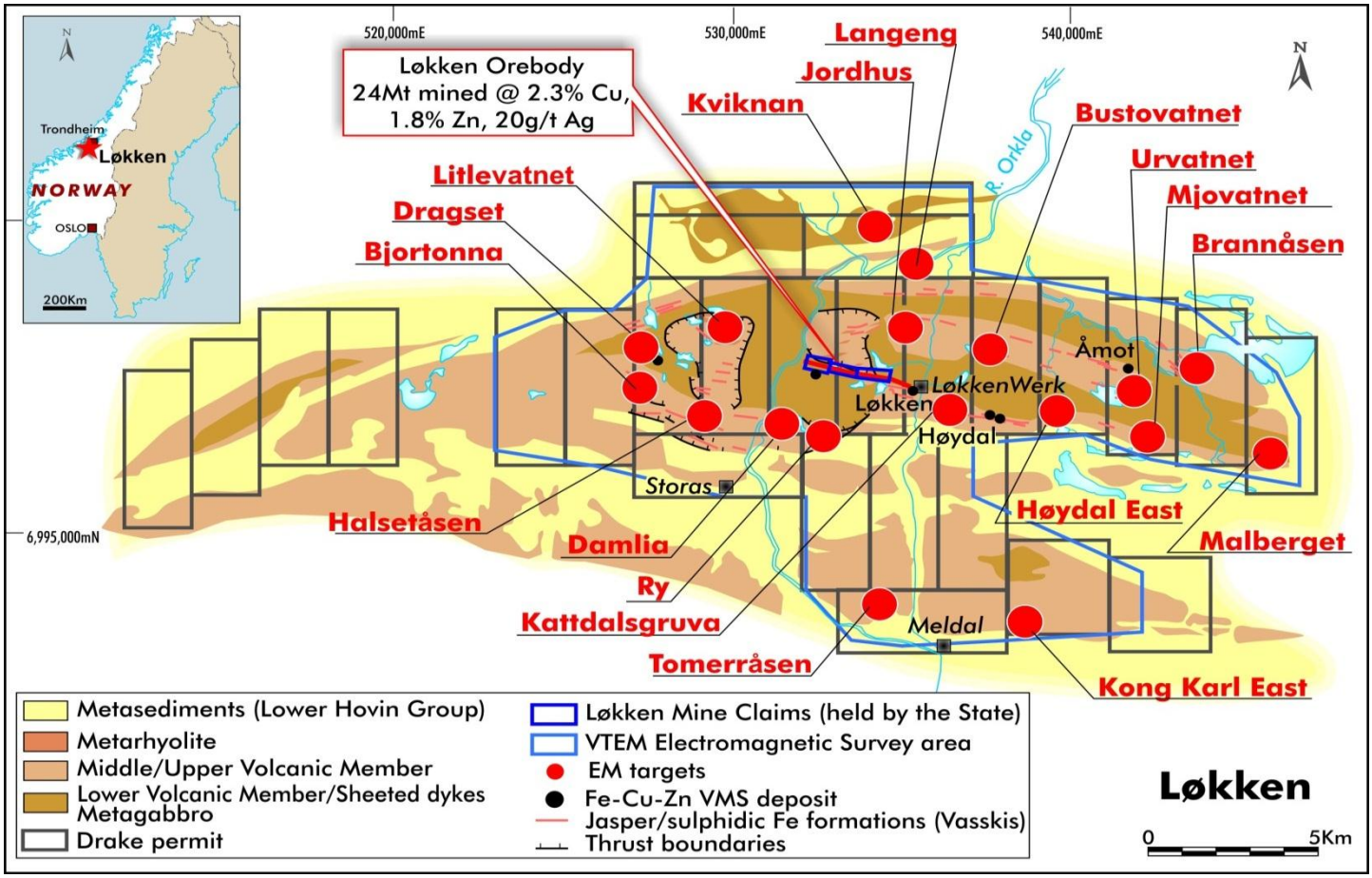
Løkken

Final data for the September 2011 quarter VTEM survey (1,618 line kilometres on 150m line spacing) was received in November. Perth based Newexco was contracted to process, model and interpret the data and final results have now been received for interpretation by the JV. Ground EM will then be planned to better define some of the anomalies, followed by a drill program before the end of Northern winter drilling season.

One completely new and untested anomaly was identified at Kviknan where an apparently shallow east dipping rodiform conductor is evident over a 1.8km strike (*Figure 11*). The anomaly is located within the same basalts which hosts the Løkken Mine. The anomaly was inspected in the field and there is no outcrop, only glacial cover within 200m of its likely outcrop. Four stream sediment samples collected in the vicinity failed to show above background Cu and Zn values, which may reflect that the source does not subcrop or that it may be distal vasskis.

A number of other anomalies are located over vasskis horizons comprising distal siliceous exhalative pyritic and sometimes magnetic bearing apparent equivalents to the host unit at the Løkken mine. These were generally poorly explored by the mine and prior explorers, and offer significant opportunity to locate new mineralisation. Interpretation of drillhole data over these anomalous areas is underway.

Figure 11 – Plan of Løkken area showing main EM anomalies identified by the 2011 VTEM survey



Sulitjelma

Plans, drill hole locations and assay data for 11 historical mining operations in the Sulitjelma area have now been scanned and digitised. Compilation of this data into GIS and 3D mine software packages has been completed and evaluation of its exploration potential is underway.

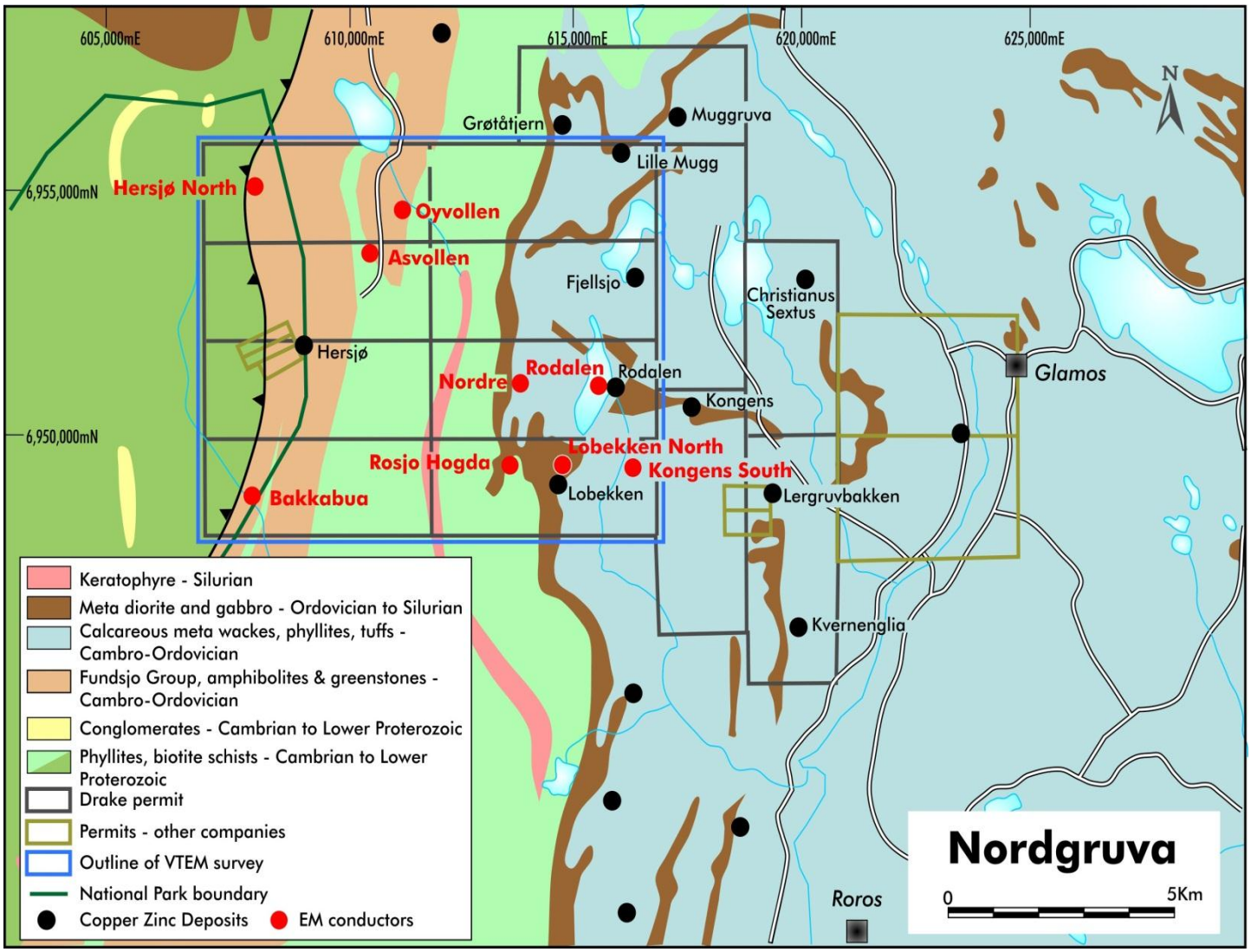
The Sulitjelma VTEM survey that was postponed in August 2011 will be re-scheduled for completion in 2012.

Hersjo

Final data for the September 2011 Hersjo-Nordgruva VTEM survey (604 line kilometres on 150m line spacing) was received in November. Newexco are currently processing, modelling and interpreting the data and final results are expected in early February 2012.

Field inspection of preliminary VTEM targets has explained some of the anomalies as being sourced by graphitic sediments, but the majority are covered by glacial sediments and will require drill testing to evaluate the source (*Figure 12*). Preliminary modelling of the Hersjo Nordgruva survey data has identified what appears to be a significant, strike extensive anomaly dipping away to the south west from the Kongens Mine which produced 1.75 Mt @ 2.3% Cu and 4% Zn between 1936 and 1939.

Figure 12 – Plan of Hersjo Nordgruva area showing EM conductors identified (to date) by the 2011 VTEM survey



Corporate

Liquid Assets & Debt

Cash on hand at the end of the quarter was $66 million plus receivables of $24 million, for a total of **$90 million in current liquid assets**. Significant cash outflows for the quarter outside of normal operating and sustaining capital expenditure requirements included:

- $4 million – progress payments on the construction of the new concentrate shed at the Port of Wyndham;
- $2 million – final payments on the construction of the new Lanfranchi village; and
- $2 million – exploration and feasibility activities at the Gidgee gold project.

During the quarter there were $4 million in payments to customers following negative quotational period (QP) final pricing adjustments in relation to concentrate/ore deliveries made in the previous September quarter.

The Panoramic Group debt totalled $3.9 million for finance leases on mobile equipment and financed insurance premiums.

Hedging

During the quarter, the Company purchased 600t of nickel put options at US$15,000/t (US$6.80/lb) for delivery January 2012 to June 2012

Excluding the bought nickel put options (which can be exercised by the Company if the US$ nickel price falls below US$18,000/t and US$15,000/t respectively), and assuming the sold nickel call options are all exercised against the Company, based on current forecast production (on a payable nickel basis), the Company is approximately 33% hedged for the remainder of FY2012 (23% comprising of forwards and 10% comprising of calls) and approximately 6% hedged for FY2013.

Table 8: Group Hedge Book – A$ Mark-to-Market Valuation as at 31 December 2011

Commodity	Mark-to-Market 31 Dec 2011	Mark-to-Market 30 Sep 2011
Nickel Forwards	**$14.3 million**	$23.2 million
Bought Nickel Put Options	**$1.1 million**	$3.7 million
Sold Nickel Call Options	**-**	-
Bought Diesel Call Options	**$0.6 million**	$0.7 million
Bought US$ Currency Put Options	**$0.2 million**	$0.2 million
Sold US$ Currency Call Options	**($0.3 million)**	($1.8 million)
Total Mark-to-Market	**$15.9 million**	$26.0 million

Investment in Listed Entities

As at 31 December 2011, the Company had investments in the following listed entities:

- Magma Metals (ASX & TSX: MMW) – 25.0M shares;
- Hot Chili Limited (ASX:HCH) – 6.67M shares;
- Thundelarra Exploration (ASX:THX) – 2.2M shares; and
- Liontown Resources (ASX: LTR) – 2.8M shares.

The market value of these equity investments as at 31 December 2011 was approximately $6.0 million.

In December, the Company agreed to take a placement of 4.83M shares in Hot Chili at $0.60 per share. This issue of new shares to the Company is still subject to approval by the Hot Chili shareholders at a general meeting to be held on 1 February 2012. Assuming approval is given by the Hot Chili shareholders, in addition to receiving the HCH shares (after the payment of $2.9 million), the Company will also receive 1.61M unlisted options at an exercise price of $0.75, expiring on 9 December 2012.

Half Year Financial Results

In accordance with ASX Listing Rule 3.1 (Continuous Disclosure), the Company wishes to advise that it expects to report an after tax loss of between $3-$4 million for the December 2011 half year. The following table is a summary of the estimated December 2011 half year results compared to the previous corresponding period (p.c.p):

	Dec Half 2011 Estimate	Dec Half 2010 Actual
Financials (A$ million)		
Total net revenue *	$109.0	$129.2
Net profit /(loss) before tax	($5.0)	$26.6
Net profit/(loss) after tax	($4.0)	$17.5
Net realised Ni price after hedging (A$/tonne)	$18,300	$22,100
Nickel produced/sold		
Nickel (tonnes) produced**	9,613	8,216
Nickel (tonnes) sold**	9,341	8,205

* *Net of by-product credits, smelter/ concentrate treatment charges and profit/(losses) on commodity/foreign exchange currency hedges*
** *Nickel in concentrate from Savannah and nickel in ore from Lanfranchi*

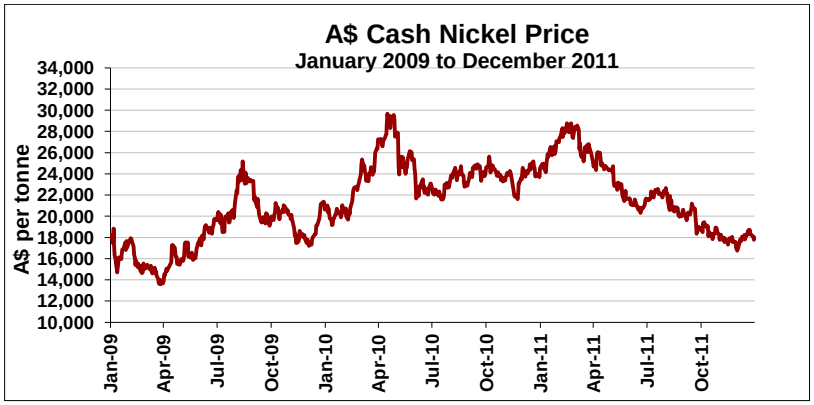
The result broadly reflects the $20 million drop in total net revenue from the lower net realised A$ price of nickel sold (after hedging) during the period. Figure 14 shows the movement in spot A$ nickel prices since January 2009 and the down-trend in prices since March 2011. The fall in the nickel price resulted in a $4 million negative sales adjustment for final pricing on the prior financial year's May and June Lanfranchi ore deliveries. In addition, Savannah had 580t Ni contained in unsold concentrate at 31 December (with an approximate current gross value of $11 million) which at balance date was recognised as inventory and valued at cost. The sales margin on this unsold concentrate will be booked in the current half year.

Depreciation and amortisation (d&a) totaled $25 million for the period, up 14% on the p.c.p. The difference was principally attributable to the $3 million of non-cash d&a charged against the carrying value of the Schmitz ore-body at Lanfranchi. For the first time since the Company purchased the Lanfranchi project in 2004, Schmitz is being mined in significant tonnages and as a result the resource's carried forward fair value is now being amortised on a units of production basis. It should be noted that the carrying value of Schmitz was increased in June 2009 during the fair value revaluation of the Lanfranchi project's assets immediately following the purchase of the remaining 25% of Lanfranchi from Brilliant Mining.

Despite the lower than forecast commodity prices and the continuing strength in the A$ versus the US$, the operations continue to achieve strong operating margins and free cash flow.

The December 2011 half year consolidated financial results presented above are still subject to adjustments (up or down) for the fixing of final prices in January for the Savannah December concentrate shipment and Lanfranchi's October ore deliveries, updated provisional pricing for the November and December Lanfranchi ore deliveries, an internal tax review and the completion of the half year audit review by the Company's auditor in February.

Figure 13 – A$ Cash Nickel Price [1 January 2009 to 31 December 2011]



Source – LME US$ Ni Daily Cash Price converted to A$'s using the RBA US$/A$ Settlement Rate

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 the Kimberley, and the Lanfranchi Project 42km south of Kambalda. On a Group basis, Panoramic produced 17,027t nickel contained in FY2011 and is forecasting to produce between 18,500 to 19,000t nickel in FY2012. In February 2011, the Company acquired the Gidgee Gold Project, located 640kms north-east of Perth. Exploration and evaluation studies have commenced at Gidgee, with the aim of expanding the existing 310,000oz gold resource. The Panoramic Group has strong cash reserves, no bank debt and is continually looking to grow its existing business through internal exploration success, outside acquisitions and/or joint ventures.

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.

Appendix 1 - Panoramic Group Hedge Book as at 31 December 2011

Commodity	Quantity 31 Dec 2011	Average Price/Rate 31 Dec 2011	Quantity 30 Sep 2011	Average Price/Rate 30 Sep 2011
Nickel **-**				
Nickel Forwards (delivery Jan 2012-Jun 2012)	1,350t	US$25,462/t **US$11.55/lb**	2,025t	US$25,615/t **US$11.62/lb**
Nickel Forwards (delivery to Jul 2012-Mar 2013)	675t	US$26,468/t **US$12.00/lb**	675t	US$26,468/t **US$12.00/lb**
Bought Nickel Put Options (delivery Jan 2012-Jun 2012)	1,200t	US$18,000/t **US$8.16/lb**	2,226t	US$18,000/t **US$8.16/lb**
Bought Nickel Put Options (delivery Jan 2012-Jun 2012)	600t	US$15,000/t **US$6.80/lb**	-	-
Sold Nickel Call Options (delivery Jan 2012-Jun 2012)	600t	US$28,500/t **US$12.93/lb**	1,050t	US$28,667/t **US$13.00/lb**
Diesel **-**				
Bought Diesel Call Options (delivery Jan 2012-Sep 2012)	375,000litres/mth	US$0.60/litre	375,000litres/mth	US$0.60/litre
Sold Diesel Put Options (delivery Jan 2012-Sep 2012)	375,000litres/mth	US$0.440/litre	375,000litres/mth	US$0.440/litre
US$/A$ FX **-**				
Bought US$ Put Options (delivery Oct 2011 to Dec 2011)	-	-	US$6.0 million	US$1.08 FX
Bought US$ Put Options (delivery Jan 2012 to Jun 2012)	US$66.0 million	US$1.10 FX	US$66.0 million	US$1.10 FX
Sold US$ Call Options (delivery Jan 2012 to Jun 2012)	US$60.0 million	US$0.90 FX	US$60.0 million	US$0.90 FX

Appendix 2 - Summary of Gidgee September 2011 Quarter Aircore Results [greater than 0.50g/t Au]

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0173	48	51	3m @ 2.49 g/t	736250	7009475	548	Cobia	-90	0
GPAC0175	57	60	3m @ 2.78 g/t	736350	7009475	548	Cobia	-90	0
GPAC0186	48	51	3m @ 0.94 g/t	736555	7009150	551	Cobia	-90	0
GPAC0187	33	36	3m @ 0.63 g/t	736400	7009140	550	Cobia	-90	0
GPAC0212	63	64	1m @ 1.05 g/t	742200	6991650	500	E52/1273 WEST	-90	0
GPAC0307	12	13	1m @ 8.54 g/t	736150	7026656	610	Fangio	-90	0
GPAC0381	51	53	2m @ 1.96 g/t	741750	6974240	507	Jacana	-90	0
GPAC0409	60	63	3m @ 0.59 g/t	743750	6966810	503	Kensei	-90	0
GPAC0411	51	57	6m @ 0.94 g/t	743810	6966810	503	Kensei	-90	0
GPAC0414	21	24	3m @ 0.81 g/t	743950	6966810	503	Kensei	-90	0
GPAC0414	87	88	1m @ 1.59 g/t	743950	6966810	503	Kensei	-90	0
GPAC0419	24	30	6m @ 1.09 g/t	743650	6966600	504	Kensei	-90	0
GPAC0419	84	87	3m @ 2.29 g/t	743650	6966600	504	Kensei	-90	0
GPAC0421	27	33	6m @ 1.08 g/t	743750	6966600	504	Kensei	-90	0
GPAC0421	96	105	9m @ 1.43 g/t	743750	6966600	504	Kensei	-90	0
GPAC0422	114	117	3m @ 2.49 g/t	743800	6966600	503	Kensei	-90	0
GPAC0425	21	24	3m @ 1.68 g/t	743950	6966600	503	Kensei	-90	0
GPAC0427	18	21	3m @ 1.02 g/t	744050	6966600	503	Kensei	-90	0
GPAC0428	105	108	3m @ 0.62 g/t	743605	6966400	503	Kensei	-90	0
GPAC0429	21	24	3m @ 0.87 g/t	743650	6966400	503	Kensei	-90	0
GPAC0429	36	39	3m @ 1.92 g/t	743650	6966400	503	Kensei	-90	0
GPAC0429	69	70	1m @ 2.04 g/t	743650	6966400	503	Kensei	-90	0
GPAC0430	24	30	6m @ 1.21 g/t	743650	6966400	503	Kensei	-90	0
GPAC0430	33	36	3m @ 2.05 g/t	743650	6966400	503	Kensei	-90	0
GPAC0434	33	36	3m @ 1.51 g/t	743900	6966400	503	Kensei	-90	0
GPAC0074	3	4	1m @ 1.42 g/t	737650	6983080	535	Kingfisher	-90	0
GPAC0083	24	27	3m @ 0.52 g/t	740550	6979459.96	514.11	Kingfisher	-90	0
GPAC0083	45	48	3m @ 0.71 g/t	740550	6979459.96	514.11	Kingfisher	-90	0
GPAC0096	0	3	3m @ 1.53 g/t	740100	6979459.96	515.08	Kingfisher	-90	0
GPAC0102	39	42	3m @ 1.01 g/t	739850	6979859.93	515.48	Kingfisher	-90	0
GPAC0105	33	36	3m @ 2.46 g/t	739850	6980059.99	514.29	Kingfisher	-90	0
GPAC0105	51	54	3m @ 0.82 g/t	739850	6980059.99	514.29	Kingfisher	-90	0
GPAC0105	78	84	6m @ 0.63 g/t	739850	6980059.99	514.29	Kingfisher	-90	0
GPAC0109	33	42	9m @ 4.07 g/t	739650	6980059.93	514.51	Kingfisher	-90	0
GPAC0116	27	30	3m @ 1.14 g/t	739850	6980249.99	514.48	Kingfisher	-90	0
GPAC0117	81	84	3m @ 0.51 g/t	739800	6980249.97	515.10	Kingfisher	-90	0
GPAC0118	30	33	3m @ 0.83 g/t	739750	6980250.01	514.60	Kingfisher	-90	0
GPAC0120	81	85	4m @ 1.69 g/t	739650	6980250.05	514.74	Kingfisher	-90	0
GPAC0128	66	69	3m @ 1.43 g/t	739750	6980450.03	514.91	Kingfisher	-60	90
GPAC0218	3	6	3m @ 0.52 g/t	747210	6991400	500	Muscat	-90	0
GPAC0236	33	36	3m @ 1.01 g/t	746250	6992500	500	Muscat	-90	0
GPAC0388	33	36	3m @ 0.61 g/t	743700	6967210	504	Reliance	-90	0

Appendix 2 - Summary of Gidgee September 2011 Quarter Aircore Results [greater than 0.50g/t Au] (Cont'd)

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0389	78	81	3m @ 0.88 g/t	743750	6967210	504	Reliance	-90	0
GPAC0390	30	33	3m @ 1.73 g/t	743750	6967210	504	Reliance	-90	0
GPAC0402	15	18	3m @ 0.80 g/t	743900	6967005	503	Reliance	-90	0
GPAC0404	66	69	3m @ 0.52 g/t	744000	6967010	503	Reliance	-90	0
GPAC0437	69	72	3m @ 0.99 g/t	743650	6966000	503	South Reliance	-90	0
GPAC0460	30	33	3m @ 0.73 g/t	743600	6965800	504	South Reliance	-90	0
GPAC0464	45	48	3m @ 0.50 g/t	743750	6965600	503	South Reliance	-90	0
GPAC0466	18	24	6m @ 2.32 g/t	743600	6965400	504	South Reliance	-90	0
GPAC0325	84	87	3m @ 1.12 g/t	735100	7027044	588	Specimen Well	-90	0
GPAC0330	21	24	3m @ 1.41 g/t	735000	7026900	586	Specimen Well	-90	0
GPAC0137	33	36	3m @ 0.94 g/t	735900	7012094	560	Wahoo	-60	90
GPAC0137	42	45	3m @ 18.10 g/t	735900	7012094	560	Wahoo	-60	90
GPAC0144	12	15	3m @ 1.08 g/t	736050	7011900	557	Wahoo	-60	90
GPAC0157	18	27	9m @ 3.80 g/t	735900	7011700	554	Wahoo	-60	90
GPAC0157	30	33	3m @ 0.72 g/t	735900	7011700	554	Wahoo	-60	90
GPAC0157	39	42	3m @ 0.51 g/t	735900	7011700	554	Wahoo	-60	90
GPAC0157	45	48	3m @ 1.58 g/t	735900	7011700	554	Wahoo	-60	90
GPAC0158	48	54	6m @ 0.96 g/t	735850	7011697	553	Wahoo	-60	0
GPAC0160	57	60	3m @ 0.64 g/t	735750	7011696	553	Wahoo	-90	0
GPAC0161	51	54	3m @ 0.84 g/t	735703	7011700	553	Wahoo	-90	0

Appendix 3 – Summary of Gidgee December 2011 Quarter Aircore Results [greater than 0.50g/t Au] (for results received up to 5 January 2012)

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0511	52	56	4m @ 0.97 g/t	743846	6965324	502	Deep South	-60	270
GPAC0513	28	32	4m @ 1.15 g/t	743830	6965260	502	Deep South	-60	270
GPAC0514	36	40	4m @ 1.58 g/t	743828	6965241	502	Deep South	-60	270
GPAC0515	36	40	4m @ 1.55 g/t	743820	6965220	501	Deep South	-60	270
GPAC0515	48	52	4m @ 0.77 g/t	743820	6965220	501	Deep South	-60	270
GPAC0515	60	64	4m @ 0.72 g/t	743820	6965220	501	Deep South	-60	270
GPAC0516	44	48	4m @ 2.16 g/t	743830	6965220	502	Deep South	-60	270
GPAC0516	52	60	8m @ 1.21 g/t	743830	6965220	502	Deep South	-60	270
GPAC0516	72	76	4m @ 0.58 g/t	743830	6965220	502	Deep South	-60	270
GPAC0516	96	100	4m @ 0.53 g/t	743830	6965220	502	Deep South	-60	270
GPAC0474	28	32	4m @ 2.74 g/t	743801	6964350	501	Kingston Town	-90	0
GPAC0476	32	36	4m @ 0.56 g/t	743852	6964348	500	Kingston Town	-90	0
GPAC0480	36	40	4m @ 0.74 g/t	743950	6964350	500	Kingston Town	-90	0
GPAC0481	40	44	4m @ 1.88 g/t	743969	6964350	500	Kingston Town	-90	0
GPAC0482	24	28	4m @ 2.08 g/t	743825	6964251	501	Kingston Town	-90	0
GPAC0483	36	40	4m @ 1.32 g/t	743849	6964250	501	Kingston Town	-90	0
GPAC0483	44	48	4m @ 0.72 g/t	743849	6964250	501	Kingston Town	-90	0
GPAC0484	60	64	4m @ 1.52 g/t	743874	6964252	501	Kingston Town	-90	0
GPAC0490	32	40	8m @ 1.05 g/t	743823	6964151	501	Kingston Town	-90	0
GPAC0492	36	44	8m @ 0.96 g/t	743876	6964150	501	Kingston Town	-90	0
GPAC0493	36	40	4m @ 0.63 g/t	743900	6964150	500	Kingston Town	-90	0
GPAC0494	36	44	8m @ 1.44 g/t	743925	6964150	500	Kingston Town	-90	0
GPAC0495	40	44	4m @ 0.89 g/t	743949	6964150	500	Kingston Town	-90	0
GPAC0495	48	52	4m @ 1.51 g/t	743949	6964150	500	Kingston Town	-90	0
GPAC0497	20	24	4m @ 1.12 g/t	743799	6964051	501	Kingston Town	-90	0
GPAC0500	24	28	4m @ 0.53 g/t	743874	6964050	501	Kingston Town	-90	0
GPAC0558	20	24	4m @ 1.25 g/t	743640	6964390	501	Kingston Town	-90	0
GPAC0558	28	32	4m @ 2.12 g/t	743640	6964390	501	Kingston Town	-90	0
GPAC0559	20	24	4m @ 0.64 g/t	743660	6964390	501	Kingston Town	-90	0
GPAC0560	32	48	16m @ 1.46 g/t	743680	6964390	501	Kingston Town	-90	0
GPAC0561	44	48	4m @ 0.90 g/t	743700	6964390	501	Kingston Town	-90	0
GPAC0566	28	32	4m @ 0.57 g/t	743800	6964390	501	Kingston Town	-90	0
GPAC0566	36	40	4m @ 0.71 g/t	743800	6964390	501	Kingston Town	-90	0
GPAC0567	32	36	4m @ 0.52 g/t	743820	6964390	501	Kingston Town	-90	0
GPAC0568	24	28	4m @ 1.51 g/t	743640	6964300	501	Kingston Town	-90	0
GPAC0569	48	52	4m @ 1.41 g/t	743680	6964250	501	Kingston Town	-90	0
GPAC0572	68	72	4m @ 0.52 g/t	743640	6964250	501	Kingston Town	-90	0
GPAC0574	28	32	4m @ 3.50 g/t	743665	6964200	501	Kingston Town	-90	0
GPAC0575	36	40	4m @ 2.00 g/t	743650	6964150	501	Kingston Town	-90	0
GPAC0578	20	24	4m @ 0.63 g/t	743700	6964150	501	Kingston Town	-90	0
GPAC0578	28	32	4m @ 0.70 g/t	743700	6964150	501	Kingston Town	-90	0

Appendix 3 – Summary of Gidgee December 2011 Quarter Aircore Results [greater than 0.50g/t Au] (for results received up to 5 January 2012) – Cont'd

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0581	20	24	4m @ 0.71 g/t	743770	6964150	501	Kingston Town	-90	0
GPAC0581	44	48	4m @ 0.61 g/t	743770	6964150	501	Kingston Town	-90	0
GPAC0582	28	36	8m @ 1.35 g/t	743150	6963690	503	Manakado	-90	0
GPAC0584	16	20	4m @ 1.11 g/t	743110	6963690	510	Manakado	-90	0
GPAC0587	68	72	4m @ 0.82 g/t	743129	6963730	510	Manakado	-90	0
GPAC0588	76	80	4m @ 0.93 g/t	743140	6963730	510	Manakado	-90	0
GPAC0593	100	104	4m @ 0.57 g/t	743060	6963830	512	Manakado	-90	0
GPAC0593	112	116	4m @ 0.52 g/t	743060	6963830	512	Manakado	-90	0
GPAC0596	88	92	4m @ 0.52 g/t	743120	6963830	512	Manakado	-90	0
GPAC0601	32	36	4m @ 0.97 g/t	742920	6964000	514	Manakado	-90	0
GPAC0602	32	36	4m @ 0.71 g/t	742900	6964000	514	Manakado	-90	0
GPAC0604	48	52	4m @ 0.56 g/t	742860	6964000	514	Manakado	-90	0
GPAC0505	44	48	4m @ 0.73 g/t	743245	6964090	503	Think Big	-90	0
GPAC0506	36	44	8m @ 1.30 g/t	743235	6964090	503	Think Big	-90	0
GPAC0520	28	36	8m @ 7.87 g/t	743250	6963790	503	Think Big	-90	0
GPAC0521	16	20	4m @ 6.73 g/t	743240	6963790	503	Think Big	-90	0
GPAC0522	16	20	4m @ 0.73 g/t	743265	6963685	503	Think Big	-90	0
GPAC0523	20	24	4m @ 0.54 g/t	743250	6963685	503	Think Big	-90	0
GPAC0523	28	36	8m @ 2.03 g/t	743250	6963685	503	Think Big	-90	0
GPAC0524	12	24	12m @ 2.81 g/t	743267	6963638	503	Think Big	-90	0
GPAC0524	32	36	4m @ 2.17 g/t	743267	6963638	503	Think Big	-90	0
GPAC0525	20	24	4m @ 2.74 g/t	743250	6963638	503	Think Big	-90	0
GPAC0526	8	12	4m @ 1.06 g/t	743236	6963637	503	Think Big	-90	0
GPAC0526	16	24	8m @ 1.01 g/t	743236	6963637	503	Think Big	-90	0
GPAC0527	16	24	8m @ 0.57 g/t	743235	6963685	503	Think Big	-90	0
GPAC0528	108	112	4m @ 1.24 g/t	743225	6963950	503	Think Big	-90	0
GPAC0528	124	128	4m @ 1.43 g/t	743225	6963950	503	Think Big	-90	0
GPAC0531	116	124	8m @ 1.05 g/t	743200	6964000	503	Think Big	-90	0
GPAC0532	92	96	4m @ 1.21 g/t	743225	6964000	503	Think Big	-90	0
GPAC0532	112	116	4m @ 0.88 g/t	743225	6964000	503	Think Big	-90	0
GPAC0536	80	84	4m @ 1.94 g/t	743275	6964000	503	Think Big	-90	0
GPAC0542	24	28	4m @ 0.51 g/t	743200	6964150	503	Think Big	-90	0
GPAC0543	84	96	12m @ 2.43 g/t	743175	6964150	503	Think Big	-90	0
GPAC0544	20	24	4m @ 0.61 g/t	743150	6964150	503	Think Big	-90	0
GPAC0544	40	48	8m @ 0.88 g/t	743150	6964150	503	Think Big	-90	0
GPAC0544	104	108	4m @ 1.03 g/t	743150	6964150	503	Think Big	-90	0
GPAC0544	120	124	4m @ 0.51 g/t	743150	6964150	503	Think Big	-90	0
GPAC0545	116	120	4m @ 0.57 g/t	743175	6964090	503	Think Big	-90	0
GPAC0546	100	108	8m @ 0.60 g/t	743200	6964090	503	Think Big	-90	0
GPAC0546	116	120	4m @ 0.67 g/t	743200	6964090	503	Think Big	-90	0
GPAC0547	104	116	12m @ 1.48 g/t	743200	6964060	503	Think Big	-90	0
GPAC0547	124	132	8m @ 0.97 g/t	743200	6964060	503	Think Big	-90	0

Appendix 3 – Summary of Gidgee December 2011 Quarter Aircore Results [greater than 0.50g/t Au] (for results received up to 5 January 2012) – Cont'd

Hole_ID	(m) From	(m) To	Intercept	Collar East	Collar North	Collar RL	Prospect	Dip	Azi
GPAC0547	140	144	4m @ 0.53 g/t	743200	6964060	503	Think Big	-90	0
GPAC0550	112	116	4m @ 0.65 g/t	743125	6964000	503	Think Big	-90	0
GPAC0551	24	28	4m @ 3.24 g/t	743150	6964005	503	Think Big	-90	0
GPAC0551	48	52	4m @ 1.75 g/t	743150	6964005	503	Think Big	-90	0
GPAC0554	16	24	8m @ 4.26 g/t	743225	6963840	503	Think Big	-90	0
GPAC0555	12	16	4m @ 0.84 g/t	743225	6963890	503	Think Big	-90	0
GPAC0555	20	24	4m @ 1.15 g/t	743225	6963890	503	Think Big	-90	0
GPAC0556	24	28	4m @ 3.18 g/t	743210	6963790	503	Think Big	-90	0
GPAC0625	20	24	4m @ 0.55 g/t	747200	6968060	504	Victory	-90	0
GPAC0616	60	68	8m @ 2.69 g/t	738550	6978081	514.10	Kingfisher	-90	0