



7 May 2012

ASX: PAN

## Acquisition Panton PGM Project

### Highlights

- Panoramic acquires the Panton PGM (platinum group metals) Project and the rights to use the Panton Process (a patented metallurgical process);
- Panton is a significant PGM resource containing **~1.0 million oz Pt** at 2.2g/t and **~1.1 million oz Pd** at 2.4g/t<sup>1</sup>;
- Panoramic already has some understanding of the Panton deposit, having previously undertaken both mining and metallurgical trials in joint venture with Platinum Australia;
- A recently completed Review of the Panton 2003 Bankable Feasibility Study indicated positive economic results for the study Base Case<sup>1</sup>;
- Potential synergies with our Savannah Nickel Project, 60km north of Panton;
- Exploration potential at depth and along strike; and
- Panton fits with Panoramic's diversification and growth strategy.

### Details

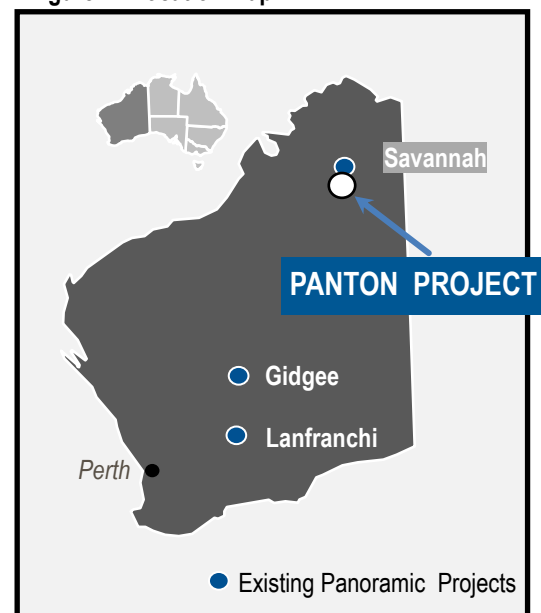
Panoramic Resources Limited ("**Panoramic**") is pleased to announce that its wholly owned subsidiary, Panoramic Precious Metals Pty Ltd has executed an agreement with Platinum Australia Limited ("**Platinum Australia**") to purchase the Panton PGM Project for **A\$5.25M** in cash plus a NSR Royalty of 0.5%. Panoramic anticipates that the conditions precedent to the agreement will be satisfied by the end of May 2012 and that completion will take place at that time.

### Panton Project Overview

The Panton Project is located 60km north of Halls Creek, adjacent to the Great Northern Highway in the East Kimberley Region of Western Australia. The project has a resource of 14.32 million tonnes at 2.19g/t Pt, 2.39g/t Pd, 0.31g/t Au on granted mining leases. The resource consists of high grade platinum and palladium mineralisation within a number of stratiform reefs.

In March 2012, Platinum Australia announced the results of a review of its 2003 Bankable Feasibility Study ("**2012 BFS Review**"). It is Panoramic's understanding that aspects of the 2012 BFS Review were undertaken independently and assumed the resource would be mined via a combination of open pit and underground. The 2012 BFS Review assumed production of 600,000tpa for ~83,000ozpa 3E (Pt+Pd+Au) and a Base Case internal rate of return ("**IRR**") of 13%.

Figure 1. Location Map



<sup>1</sup> For further details and disclosure, refer to Platinum Australia ASX announcement on 20 March 2012.



## Investment Rationale

The purchase of Panton has a number of potential benefits for Panoramic, including:

- Significant resource base containing ~1.0 million oz Pt and ~1.1 million oz Pd t;
- Panton is one of Australia's largest, highest grade, undeveloped PGM deposits<sup>2</sup>;
- The 2012 BFS Review returned a 13% IRR for the Base Case assuming annual average production of 83,000ozpa 3E<sup>3</sup> assuming long-term metal prices as per Appendix 1;
- Potential synergies with the Savannah Nickel Project, which is only 60km north of Panton, that could result in improved economics for both projects (power, processing, logistics, personnel, etc.);
- Panoramic has some understanding of the Panton orebody, having previously undertaken both mining and processing trials during 2006/07;
- Panoramic believes it can add significant value to the Panton through optimisation of mining and processing options; and
- In our view, PGMs have strong fundamentals, with the majority of analysts forecasting PGM prices to increase over the short to medium term<sup>4</sup>.

**Panoramic considers the Panton Project to be a quality PGM development asset which fits with our commodity diversification and growth strategy.**

## The Panton Project – Results of the 2012 BFS Review

In March 2012, Platinum Australia announced the results of an independent review of the 2003 Bankable Feasibility Study on the Panton Project<sup>5</sup>. Key results from the 2012 BFS Review include:

- Base Case IRR of 13% and an IRR of 18% on the Alternative Case (see Appendix 1 for commodities and foreign exchange assumptions);
- The Project could achieve a pre-tax NPV (10% discount rate) of US\$15 million on the Base Case and US\$41 million on the Alternative Case;
- Cash operating cost of US\$830/oz 3E (platinum+palladium+gold) on the Base Case and US\$790/oz on the Alternate Case;
- Average annual production of 83,000ozs 3E;
- Optimisation and redesign of the open pit and underground using higher metal prices and updated operating costs has the potential to significantly increase the size of the open pit and the underground resources further enhancing the project economics.

## Geology & Mineralisation

The Panton intrusive is a layered, differentiated mafic to ultramafic body that has been intruded into the sediments of the Proterozoic Lamboo Complex in the Kimberley Region of Western Australia. The Panton Intrusive has undergone several folding and faulting events that have resulted in a south westerly plunging synclinal structure some 10km long and 3km wide. High grade PGM mineralisation is hosted within a number of stratiform chromite reefs within the ultramafic sequence.

<sup>2</sup> Intierra database analysis, May 2012.

<sup>3</sup> 3E = Pt+Pd+Au. For further details and disclosures, refer to Platinum Australia's ASX announcement on 20 March 2012.

<sup>4</sup> Based on published research of various Investment Bank analysts, from December 2011.

<sup>5</sup> For further details and disclosures, refer to Platinum Australia's ASX announcement 20 March 2012.



## Resources

A summary of the defined total Resources for the Panton Project is tabled below.

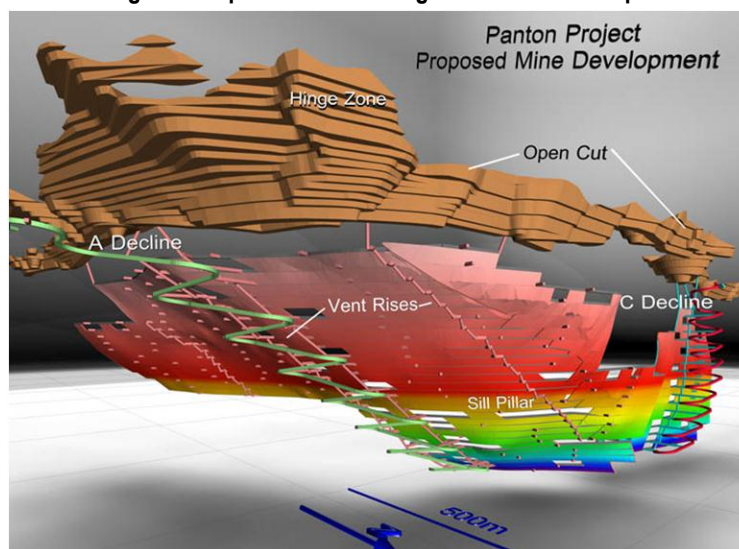
**Table 1. Defined Total Resources**

Reef Type	Resource Category	Tonnes Million	Pt g/t	Pd g/t	Au g/t	Ni %	Cu %
<b>Top Reef</b>	Measured	4.40	2.46	2.83	0.42	0.28	0.08
	Indicated	4.13	2.73	3.21	0.38	0.31	0.09
	Inferred	1.56	2.1	2.35	0.38	0.36	0.13
	<b>Sub Total</b>	<b>10.08</b>	<b>2.51</b>	<b>2.91</b>	<b>0.40</b>	<b>0.30</b>	<b>0.09</b>
<b>Middle Reef</b>	Measured	2.13	1.36	1.09	0.10	0.18	0.03
	Indicated	1.5	1.56	1.28	0.10	0.19	0.04
	Inferred	0.6	1.22	1.07	0.01	0.19	0.05
	<b>Sub Total</b>	<b>4.22</b>	<b>1.41</b>	<b>1.15</b>	<b>0.10</b>	<b>0.18</b>	<b>0.03</b>
<b>TOTAL</b>		<b>14.32</b>	<b>2.19</b>	<b>2.39</b>	<b>0.31</b>	<b>0.27</b>	<b>0.08</b>

## Mining

The 2012 BFS Review envisaged the development of an open cut mine followed by the sequential development of two underground access declines commencing in the second year of the Project with an average mining rate of 600,000tpa ore. Mining would be mechanised using a long hole, up-hole stoping method. Figure 2 shows an oblique view of the proposed open pit and underground mine development.

**Figure 2. Open Pit and Underground Mine Development<sup>6</sup>**



## Processing

The 2012 BFS Review assumed throughput of 600,000tpa at an average head grade of 5.47 g/t 3E and a recovery of 79% Pt+Pd+Au, producing an average of over 80,000ozpa in a high grade concentrate.

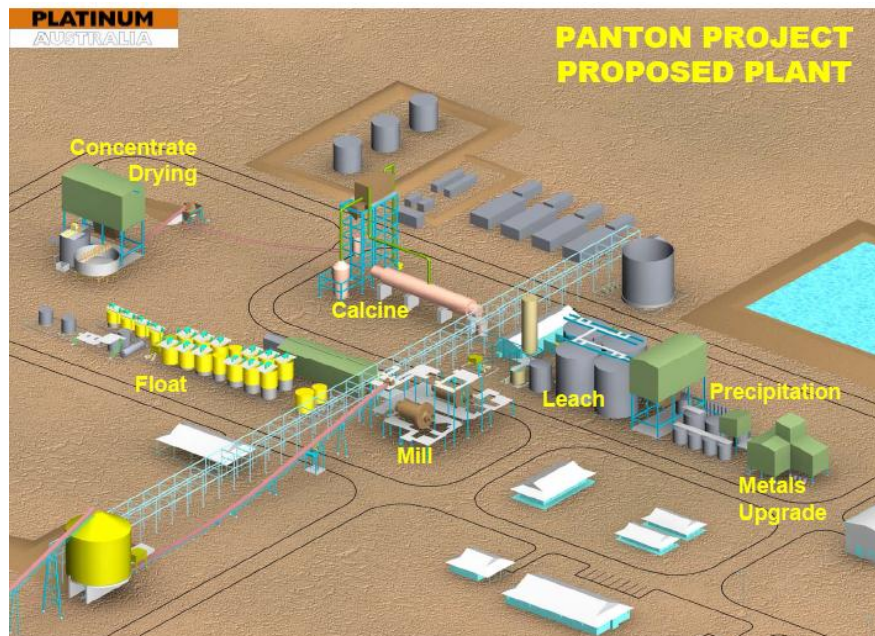
The proposed plant incorporated a standard crushing - grinding - flotation circuit to produce a low grade concentrate which is then treated on site through the patented Calcine-Leach-Metals Recovery Process developed, we understand by, Platinum Australia and Lonmin Plc.

<sup>6</sup> Platinum Australia Website: <http://www.platinumaus.com.au/viewStory/Panton>



The process flow sheet is based on extensive laboratory test work of open cut and underground samples, combined with pilot plant test work for milling - flotation and the Calcine-Leach-Metals Recovery Process. An overview of the layout of the processing facilities, as proposed by Platinum Australia, is shown in Figure 3.

**Figure 3. Layout of the Proposed Processing Facilities**



## Potential Synergies with Savannah

Panoramic has identified a number of potential synergies with our Savannah Nickel Project, 60km to the north of Panton. Panoramic believes that significant value could be added to Panton through Panoramic's existing presence in the Kimberley region of Western Australia. Potential synergies include:

- Strong and supportive relationship with Traditional Owners and local authorities.
- Proven and respected track record of exploring and operating in the Kimberley;
- Established infrastructure including a 950,000tpa sulphide ore processing facility with approximately 300,000tpa of spare capacity, a 300 person camp and other related infrastructure; and
- Port facilities in Wyndham, including a recently constructed state-of-the-art concentrate handling facility.

Panoramic sees significant potential to create efficiencies and reduce both capital and operating costs if we were to develop the Panton Project.

## 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 19,400 to 19,600t nickel in FY2012 (revised forecast April 2012). In 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, minimal debt and is continually looking to grow its existing business through internal exploration success, outside acquisitions and/or joint ventures.

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**Appendix 1 – Commodity Prices & Foreign Exchange Rate used in 2012 BFS Review<sup>7</sup>**

Exchange Rate	A\$: US\$	0.90
<b>Platinum</b>	US\$/oz	\$ 1,800
<b>Paladium</b>	US\$/oz	\$ 800
<b>Gold</b>	US\$/oz	\$ 1,400
<b>Nickel</b>	US\$/oz	\$ 22,500
<b>Copper</b>	US\$/oz	\$ 9,000

**Appendix 2 – Competent Person Disclosure****Qualification Statement**

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

<sup>7</sup> For further details and disclosures, refer to Platinum Australia's ASX announcement on 20 March 2012.