



22 October 2012

ASX: PAN

## Quarterly Report for the period ending 30 September 2012

### Significant Points

#### GROUP

- Safety - Lost Time Injury Frequency Rate (LTIFR) of 5.26 at the end of the quarter, two LTIs reported
- Group Nickel Production – **4,869t Ni for the quarter, on track for full year production of 18,000-19,000t Ni contained**
- Group Costs - Group Ni payable cash costs for quarter of A\$6.35/lb (after royalties)
- Liquid Assets - **\$69 million** at the end of the quarter, **\$5 million generated in free cash flow from operations**

#### NICKEL

##### Savannah

- Production – **1,943t Ni in concentrate, up 12% on the last quarter**
- Costs - payable cash costs of A\$6.31/lb Ni (after royalties), down 8% q-o-q on higher nickel production
- Exploration – **drilling below the 900 Fault commenced, targeting a new region of the Savannah intrusion**

##### Lanfranchi

- Production – **2,926t Ni in ore**, down 10% q-o-q following the record June 2012 production quarter
- Costs - payable cash costs of A\$6.38/lb Ni (after royalties), up q-o-q due to lower nickel head grade
- Exploration – **extensional drilling ongoing at Lanfranchi and Deacon-Schmitz, significant assay results returned**

#### GOLD

##### Gidgee

- **Resource upgrades at Howards (100% increase) and Heron South (34% increase)**
- Updated Gidgee Project Scoping Study underway, to include the recent resource upgrades

##### Mt Henry

- **Acquisition of 70% interest in Mt Henry Project completed in August 2012**
- Commenced Bankable Feasibility Study (BFS), a review of previous mineral processing flow-sheet underway
- Program of Works (POW) lodged for 10,000 drill metre program in Nov 2012, to provide samples for metallurgical test work

#### PGMs

##### Thunder Bay North

- **Drill program (10 holes) underway to test down-plunge extension of the underground resources** – four holes completed
- Studies commenced to re-optimize the mining method and mineral processing method to reduce capital and operating costs

##### Panton Project

- Review of 2012 BFS continuing

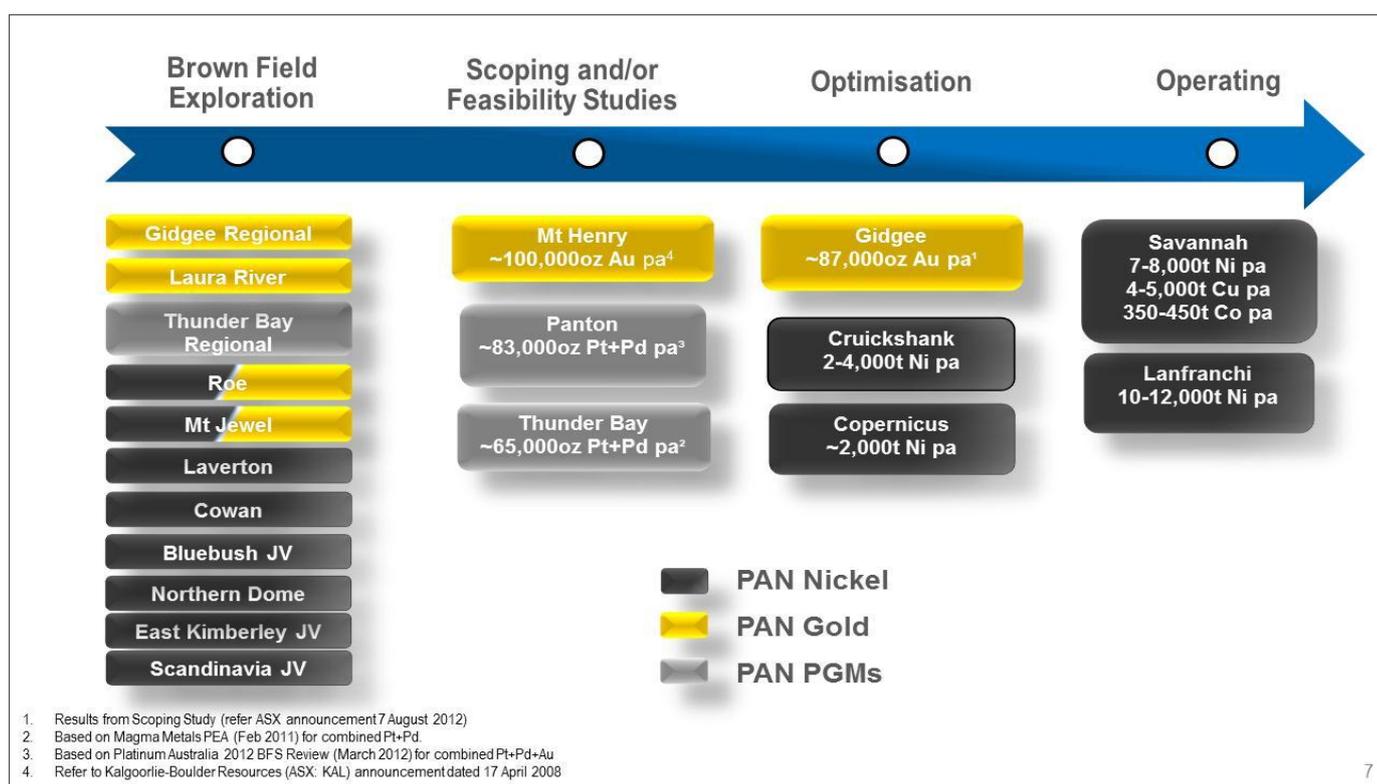
#### CORPORATE

- Cost savings and productivity initiatives a top priority, looking to reduce costs by \$10 to \$15 million pa across the business
- Hedging – additional nickel hedging undertaken



## Managing Director's Commentary

- **Safety and Environment** – there were two lost time injuries in the quarter.
- **Liquid Assets** - cash and receivables totalled \$69 million at the end of the quarter. Our nickel operations generated \$5 million in free cash flow (after working capital movements).
- **Nickel Division**  
**Production** - total Group nickel in concentrate/ore was 4,869 tonnes for the quarter, down 2% on the previous quarter but in line with our internal production budget.  
**Costs** – Group payable unit cash costs averaged A\$6.35/lb over the quarter. The main impact on net payable cash costs at Savannah was the fall in copper and cobalt by-product credits, down 22% from A\$2.43/lb to A\$1.89/lb. Despite this, Savannah's average payable cash cost was down 8% on the previous quarter. At Lanfranchi, payable cash costs were up due to the lower nickel head grade. Pleasingly, group aggregate direct site costs were flat quarter on quarter. The focus on cost reduction remains a top 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, especially nickel. Group Cost saving and productivity initiatives are discussed in more detail in the Corporate Section of the report.
- **Gold Division** – Work continues on updating the Gidgee Scoping Study which has been expanded to incorporate mining from the Wilsons Resource. Good progress has also been made at Mt Henry with the commencement of environmental studies and the updated review of the mineral processing flow-sheet that was used in the previous feasibility study.
- **PGM Division** – Work continues on the Optimisation Study for Thunder Bay North and the Company is reviewing the existing data and BFS reports on Panton before deciding on the next steps.
- **Exploration** - exploration activities continued on several fronts in Australia and overseas, including:
  - resource upgrades at Howards and Heron South following the recent drilling program at Gidgee;
  - a down-plunge “step-out” drill program underway on the Thunder Bay North underground resource;
  - extensional drilling at Lanfranchi is ongoing with excellent assay results; and
  - drilling started below the 900 Fault to test the continuation of “Savannah Style” massive sulphide mineralisation.
- **Strong Pipeline of Projects** – as discussed in the “2012 Business Review” which was recently sent to all shareholders, the Company now has an exciting pipeline of projects to take from exploration, through development and ultimately to production.

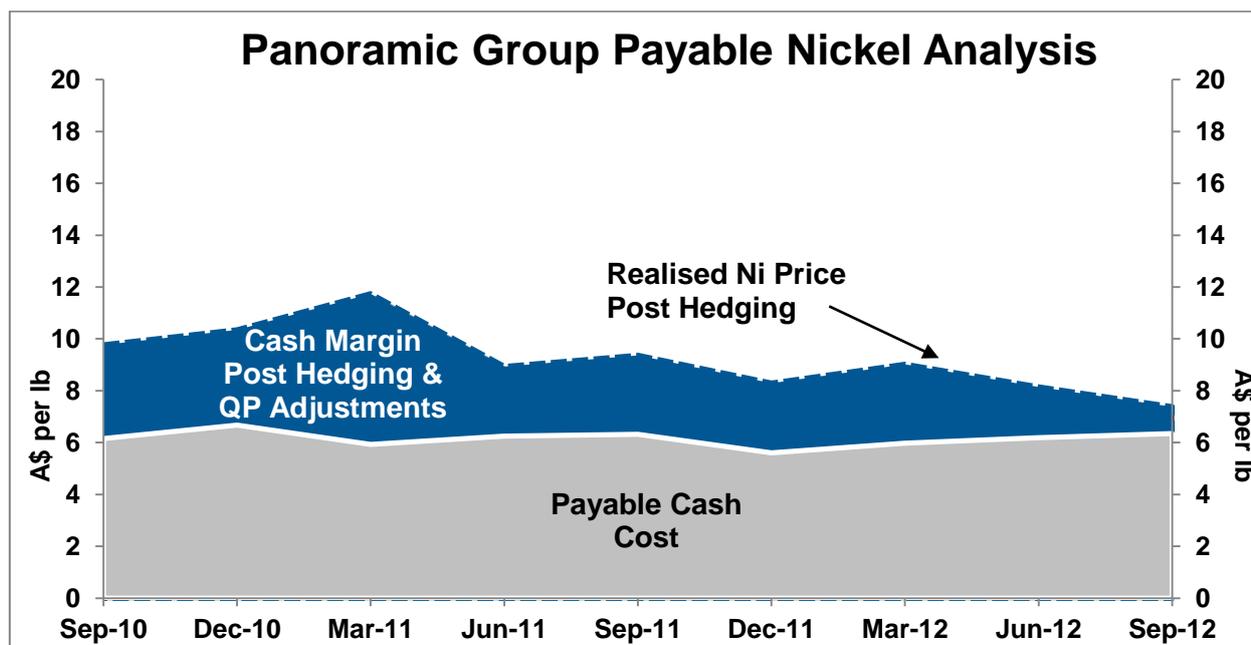




## Group Summary

The Panoramic Group A\$ cash margin, on a payable nickel basis, is shown in Figure 1 which records the Panoramic Group payable nickel unit cash costs on a quarterly basis from the September 2010 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 30 Sep 2012	Lanfranchi 3mths ending 30 Sep 2012	Total Group 3mths ending 30 Sep 2012	Total Group Previous Qtr June 2012
Ore Mined	dmt	187,734	123,092	310,826	282,528
Average Mined Nickel Grade	%	1.21	2.38	1.67	1.86
Nickel in Ore Mined	dmt	2,264	2,926	5,190	5,261
Nickel in Concentrate/Ore	tonnes	1,943	2,926	4,869	4,964
Copper in Concentrate/Ore	tonnes	1,160	258	1,418	1,518
Cobalt in Concentrate/Ore	tonnes	95	-	95	98
<b>Costs Per Pound Payable Nickel</b>					
Mining	A\$ per lb	3.40	3.86	3.65	3.74
Milling	A\$ per lb	1.94	-	0.85	0.73
Administration <sup>(a)</sup>	A\$ per lb	1.79	0.85	1.26	1.25
<b>Payable Operating Cash Costs (Mine Gate)</b>	<b>A\$ per lb</b>	<b>7.13</b>	<b>4.71</b>	<b>5.76</b>	<b>5.72</b>
Haulage	A\$ per lb	0.31	0.27	0.29	0.30
Port Charges/Shipping	A\$ per lb	0.31	-	0.14	0.10
Ore Treatment	A\$ per lb	-	1.32	0.74	0.74
Net By-product Credits	A\$ per lb	(1.89)	(0.21)	(0.94)	(1.06)
Royalties	A\$ per lb	0.45	0.29	0.36	0.39
<b>Total Payable Operating Cash Costs<sup>(b)</sup></b>	<b>A\$ per lb</b>	<b>6.31</b>	<b>6.38</b>	<b>6.35</b>	<b>6.19</b>
<b>Total Payable Operating Cash Costs<sup>(c)</sup></b>	<b>US\$ per lb</b>	<b>6.55</b>	<b>6.63</b>	<b>6.59</b>	<b>6.25</b>

(a) From 1 July 2012, Lanfranchi's administration cash cost includes certain costs that were previously included in mining. For comparison, the June 2012 quarter cash cost has also been amended to reflect this change.

(b) Group capital development cash cost for the quarter was A\$0.80/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.

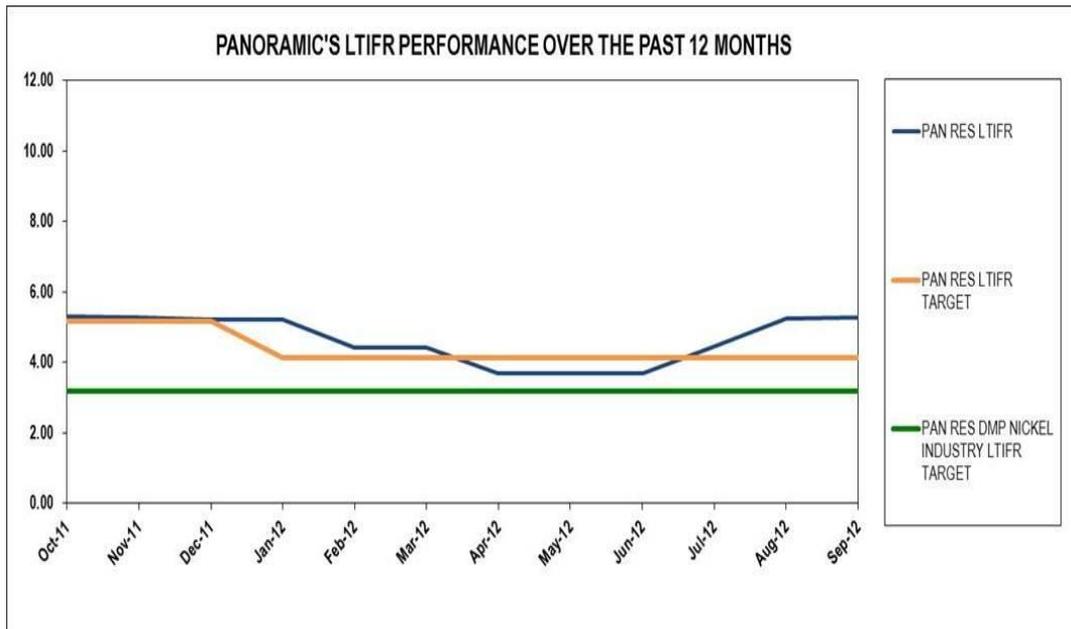
(c) Average September 2012 quarter RBA US\$/A\$ settlement rate of US\$1.0385 (Average June 2012 quarter exchange rate was US\$1.0096).



## Safety

The 12 month moving average Group LTI Frequency Rate (LTIFR) increased to 5.26, above the Group's internal target of 4.14. Two lost time injuries (LTI) were recorded during the quarter, a back injury sustained after slipping on a grate and a seemingly mild shoulder injury that became an LTI after later surgery. There was a continued improvement in the reporting of all incidents, with a 29% increase in the number of reported near misses. Most injuries were from muscle strains in the act of lifting objects and from slips. Figure 2 shows the Group LTIFR in comparison to the Group's internal target of 4.14 and the LTIFR Target of 3.2 (derived from WA Department of Mines and Petroleum (DMP) Nickel Industry performance).

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



Safety related milestones during the quarter included:

- 21% reduction in the number of total reportable injuries compared to the same period 12 months ago;
- Continued integration of field leadership training across the business,
- 2012 Panoramic Risk Management Guideline approved;
- Commitment to a revised Incident Management system and Confined Space Management system; and
- Established revised CONTAM monitoring program across the business.

## Environment

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

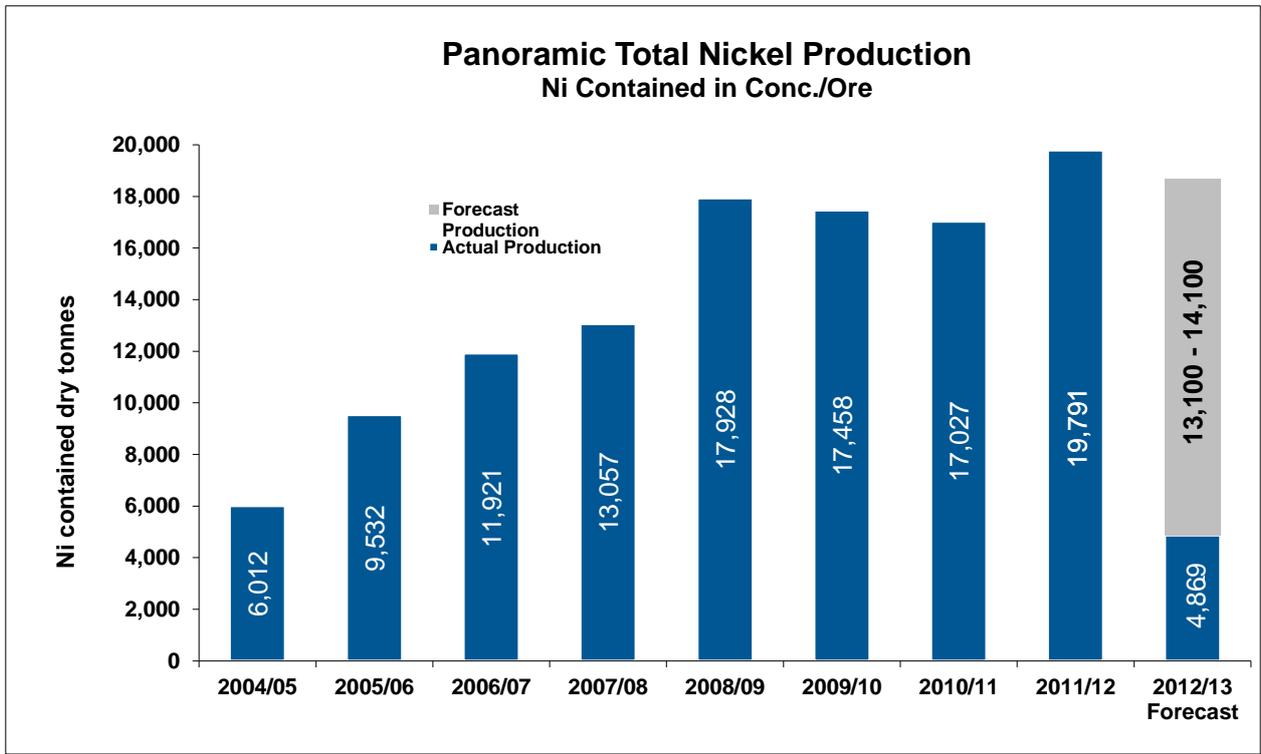
## Group Nickel Production – Actual & Forecast

The nickel division produced 4,869 tonnes Ni contained in concentrate/ore for the quarter, which was in line with the Group's internal production budget.

The nickel division is forecasting production of between 18,000 to 19,000 tonnes Ni contained in concentrate/ore in FY2013 (refer Figure 3).



Figure 3 – Actual Group Production



Notes

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



Photo 1: New Atlas Copco MT6020 underground truck (60t capacity) delivered to the Lanfranchi Project in July 2012



## Nickel - Savannah Project

### General

The Savannah Project produced 1,943t Ni, 1,160t Cu and 95t Co contained in concentrate. There was a marked improvement in all areas of the operation, with nickel produced 12% higher than the previous quarter and 3% above budget. While ore tonnes milled were 18% higher, the head nickel grade of 1.21% was 5% lower than the previous quarter. Nickel recovery was higher and on budget, as the issues in the previous quarter of paste dilution in ore and incidences of oxidation of run of mine ore stocks were mitigated by the return of the Savannah plant to continuous milling. Payable cash costs were down 8% on the previous quarter from the higher nickel production.

Three concentrate shipments containing 1,675t of nickel in concentrate were exported through the Port of Wyndham to Jinchuan during the quarter.

**Table 2 – Savannah Project Operating Statistics**

Area	Details	Units	3 mths ending 30 Sep 2012	3 mths ending 30 Jun 2012	2011/12 Full Year
<b>Mining</b>	Ore mined	dmt	187,734	157,663	657,814
	Ni grade	%	1.21	1.28	1.53
	Ni metal contained	dmt	2,264	2,026	10,077
	Cu grade	%	0.64	0.83	0.79
	Co grade	%	0.06	0.07	0.08
<b>Milling</b>	Ore milled	dmt	188,913	160,298	661,979
	Ni grade	%	1.21	1.28	1.52
	Cu grade	%	0.64	0.83	0.79
	Co grade	%	0.06	0.07	0.08
	Ni Recovery	%	85.1	84.3	85.6
	Cu Recovery	%	95.2	95.6	95.6
	Co Recovery	%	87.1	88.8	89.8
<b>Concentrate Production</b>	Concentrate	dmt	24,875	23,561	114,628
	Ni grade	%	7.81	7.34	7.53
	Ni metal contained	dmt	1,943	1,729	8,633
	Cu grade	%	4.66	5.40	4.35
	Cu metal contained	dmt	1,160	1,272	4,987
	Co grade	%	0.38	0.41	0.41
	Co metal contained	dmt	95	98	475
<b>Concentrate Shipments</b>	Concentrate	dmt	21,999	26,054	115,386
	Ni grade	%	7.62	7.31	7.47
	Ni metal contained	dmt	1,675	1,905	8,616
	Cu grade	%	4.79	5.10	4.33
	Cu metal contained	dmt	1,054	1,328	4,995
	Co grade	%	0.38	0.41	0.41
	Co metal contained	dmt	84	108	470



## Capital Projects

*Ventilation Shaft and associated infrastructure* - Work continued on the upper raise bore leg (total length 380m) during the quarter. Following the completion of the raise bore hole and linings, the surface fan will be installed, commissioned and ready for use during the March 2013 quarter.



Photo 2: Savannah Run-of-Mine (ROM) Loader taking a bucket of nickel ore to the Process Plant crusher

## Nickel - Lanfranchi Project

### General

The Lanfranchi Project produced 123,092t of ore at 2.38% Ni for 2,926t Ni contained. While ore tonnes mined was down marginally, the average mined nickel grade was lower than the previous quarter, which was a quarterly record on average mined nickel grade. As a result of the lower average mined nickel grade, payable cash costs were back closer to budgeted levels.

**Table 3 – Lanfranchi Project Operating Statistics**

Area	Details	Units	3mths ending 30 Sep 2012	3mths ending 30 Jun 2012	2011/12 Full Year
<b>Mining</b>	Ore mined	dmt	123,092	124,865	464,188
	Ni grade	%	2.38	2.59	2.40
	Ni metal contained	dmt	2,926	3,235	11,158
	Cu grade	%	0.21	0.20	0.21
<b>Ore Delivered</b>	Ore delivered	dmt	124,869	125,158	464,623
	Ni grade	%	2.39	2.58	2.41
	Ni metal contained	dmt	2,984	3,231	11,204
	Cu grade	%	0.21	0.20	0.21



## Nickel - Copernicus Joint Venture (Panoramic ~78%)

### Copernicus Open Pit

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

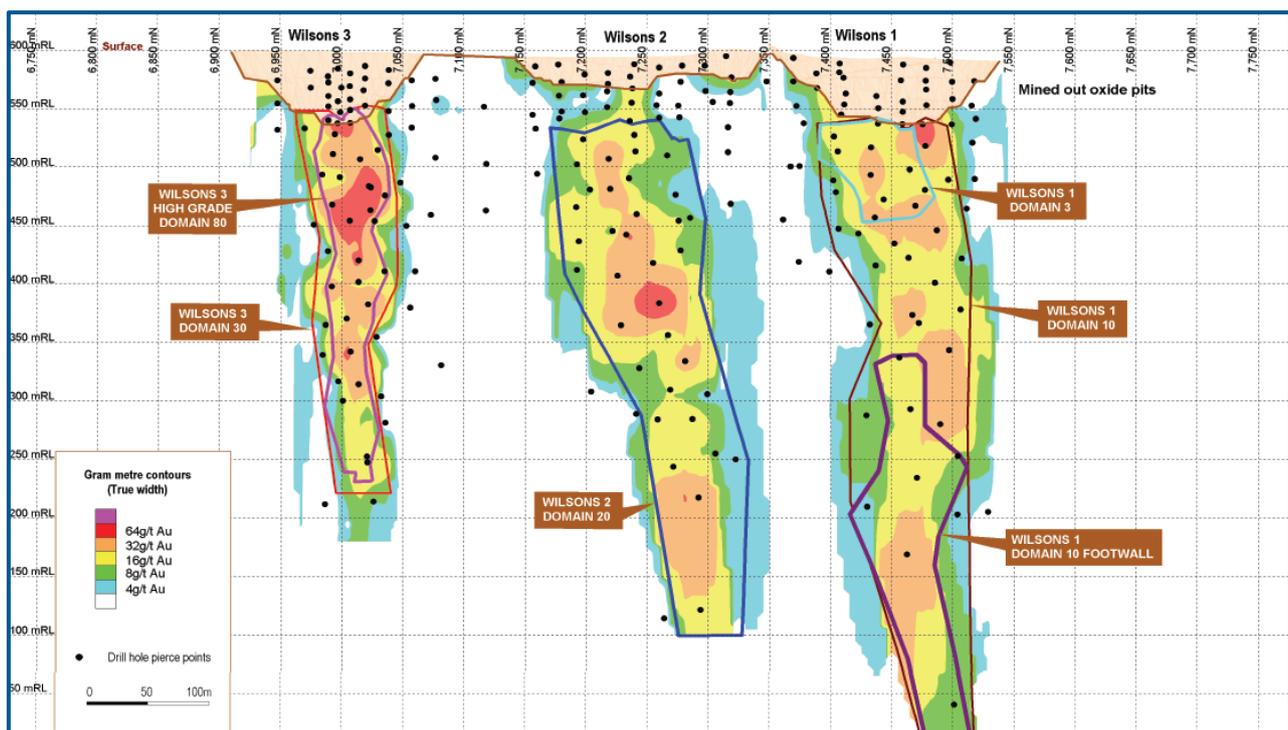
## Gold - Gidgee Project (including Wilsons)

### Background

The Gidgee Gold Project is located 640km NE of Perth and 130km SW of Wiluna and covers approximately 1,200km<sup>2</sup> of the Gum Creek greenstone belt. Panoramic acquired the Project from Apex Minerals NL ("Apex") in February 2011. The main project area, held as granted mining leases, covers a 70km long structural corridor. Over one million ounces of gold has been mined from the Gidgee leases since the 1920s with the majority of that production between 1987 and 2005.

The nearby Wilsons Project was acquired from Apex in June 2012. Wilsons is located 14km from the Gidgee processing plant and has a Resource of 325,400oz Au. The Wilsons Resource is contained within three separate west-dipping shoots, which dip at 45 to 52 degrees, on a sheared sediment-dolerite contact (refer Figure 4).

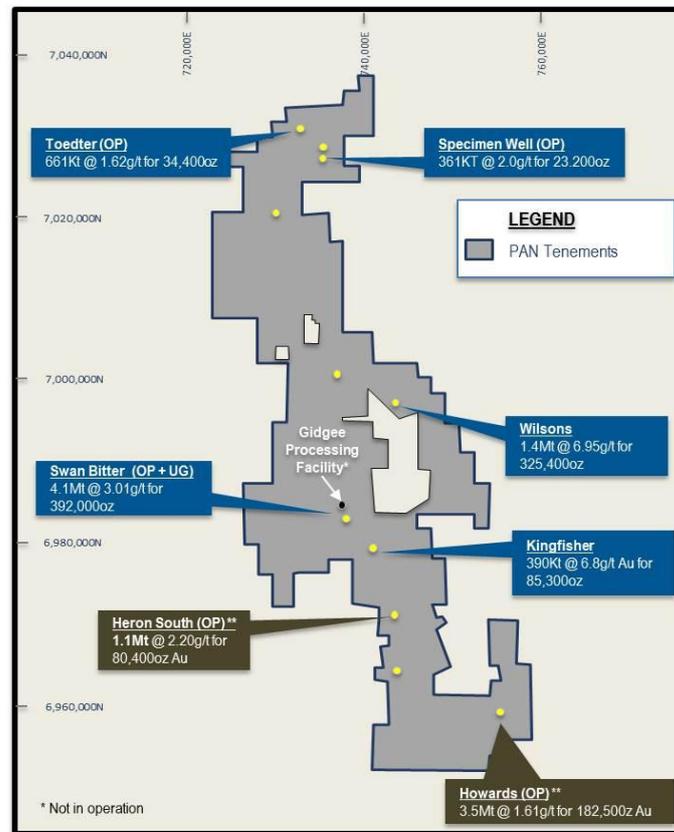
**Figure 4 – Wilsons Mineralisation**



Wilsons, when combined with the latest resource upgrades at Heron South and Howards (also refer to ASX announcement dated 17 October 2012) increase the total combined Gidgee Resource base to ~1.2Moz Au. The latest Gidgee Gold Project Resource summary is detailed in Appendix 3. The Gidgee resource areas that are currently being used in the updated Scoping Study are shown in Figure 5.



**Figure 5: Gidgee Tenement area (including Wilsons and upgraded Heron South and Howards Resources)**



### Exploration & Near Term Production Strategy

The Gidgee Project resource definition RC drilling program that commenced in the March 2012 quarter to focus on expanding the known resources and scoping studies for near term gold production scenarios, was completed in July. Upon receipt of the final assay results for this program, the Heron South and Howards resource models were upgraded. Both Heron South and Howards have the potential to be open pit ore sources in the re-development of the Gidgee Gold Project.

#### *Resource Definition Drilling and Upgraded Resources*

The resource definition RC drilling program comprised of six holes at Howards and one hole at Heron South for a total of 666 drill metres. All outstanding assay results for the program have now been received with the better intersections not previously reported as follows:

- 9.0m @ 5.89g/t Au in HRC521 at Heron South
- 9.0m @ 1.92g/t Au in HRC522 at Heron South
- 18.0m @ 1.25g/t Au in HRC524 at Heron South
- 13.0m @ 2.55g/t Au in HRC526 at Heron South
- 14.0m @ 1.92g/t Au in HRC528 at Heron South
- 12.0m @ 2.77g/t Au in HCR531 at Heron South
- 14.0m @ 3.78g/t Au in HRC535 at Heron South
- 10.0m @ 2.05g/t Au in HWRC163 at Howards
- 22.0m @ 1.68g/t Au in HWRC167 at Howards
- 14.0m @ 2.63g/t Au in HWRC168 at Howards
- 12.0m @ 1.73g/t Au in HWRC172 at Howards
- 8.0m @ 3.06g/t Au in HWRC173 at Howards
- 19.0m @ 1.63g/t Au in HWRC175 at Howards
- 13.0m @ 2.40g/t Au in HWRC176 at Howards
- 43.0m @ 1.69g/t Au in HWRC178 at Howards
- 5.0m @ 22.62g/t Au in HWRC182 at Howards
- 4.0m @ 5.64g/t Au in TTRC351 at Wilsons
- 15.0m @ 3.99g/t Au in TTRC352 at Wilsons
- 10.0m @ 6.83g/t Au in TTRC353 at Wilsons

A full summary of all assay results received during the quarter are summarised in Appendix 2.



Following receipt of the final assay results, the Howards and Heron South Resource models have been upgraded. The resource model upgrades have delivered a **100 percent and 34 percent increase in the contained gold ounces at Howards and Heron South** respectively (also refer to ASX announcement dated 17 October 2012 and the upgraded Resource and Reserve Tables in Appendix 3).

### Regional Exploration

Regional exploration activities completed during the quarter involved various geological mapping, soil and rock chip sampling programs.

Assay results from the June 2012 quarter Aircore drill program have now been received and are summarised in Appendix 2.

### Near Term Production Strategy

On 7 August 2012, the Company released the Gidgee Gold Project Scoping Study. The results of the study indicate positive economic results from the mining of open pit ore from Swan Bitter, Swift, Howards, Toedter, Specimen Well and the mining of underground ore from Wilsons. An updated Scoping Study is now underway which includes the recently announced significant increases to the Heron South and Howards Resources and will include the results from an extensive program of metallurgical testwork.

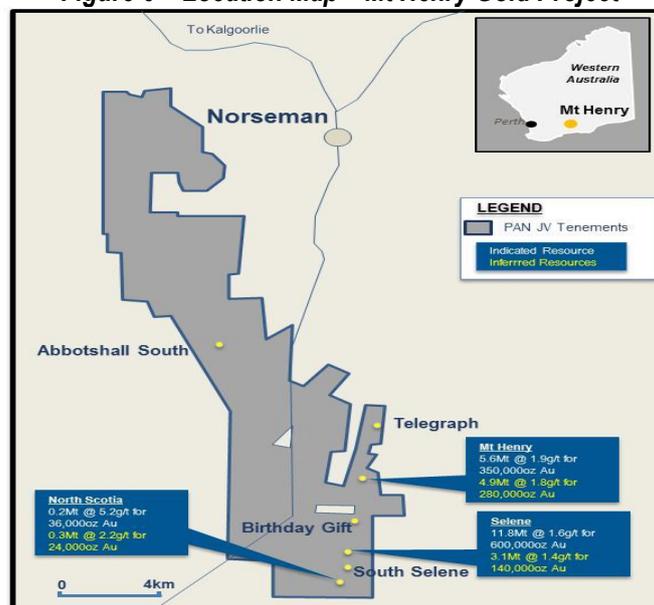
The next step in the updated Scoping Study is a geo-technical drilling program of up to 20,000 drill metres in mid-November 2012 at Howards (four holes) and Swan Bitter (six to eight holes) to gather further information on pit-wall angles, mine design and potential required ground support regimes. The updated Scoping Study is expected to be released before the end of 2012.

## Gold – Mt Henry Joint Venture (Panoramic 70%)

On 17 August 2012, the Company finalised the acquisition of a 70% interest in the Mt Henry Gold Project from Matsa Resources Limited. The Mt Henry tenements cover 135km<sup>2</sup> and are located south of Norseman in Western Australia (refer Figure 6) and contain combined Resources of 26.4Mt at 1.72g/t Au for 1.46Moz Au. On an equity basis, the **acquisition of the Mt Henry Gold Project increases Panoramic's total gold resource base by ~1.02Mozs to 2.07Mozs** (refer Appendix 2). Scoping Studies have been undertaken on the Mt Henry, Selene and Nova Scotia orebodies by previous owners and indicate robust economic results (also refer to *Kalgoorlie-Boulder Resources (ASX:KAL) ASX announcement dated 17 April 2008*).

Panoramic has commenced a Bankable Feasibility Study on the Mt Henry Gold Project. During the quarter, the Company received proposals to undertake environmental studies on the local flora and fauna, engaged GR Engineering to review its January 2012 mineral processing flow-sheet and lodged a "Program of Works" (POW) application with the Department of Mines and Petroleum (DMP) to conduct a 10,000 metre (113 holes) drill program. The objectives of the drill program, which is due to commence in November 2012, is to provide samples for metallurgical testwork and to infill critical areas of previous geotechnical studies and the resource model, with the aim to convert resources that are currently in the Inferred Resource category to an Indicated Resource category.

**Figure 6 – Location Map – Mt Henry Gold Project**





## PGM – Thunder Bay North Project

The Thunder Bay North PGM Project (TBNP) is located near Thunder Bay in northwest Ontario, Canada. The advanced exploration project claims cover an aggregate area of 40,816 hectares (*refer Figure 7*). In February 2011, the previous owner released a Preliminary Economic Assessment (PEA) on the Thunder Bay North Project. The PEA included all drilling up to 31 May 2010.

The TBNP PGM resource is hosted within the Current Lake Intrusive Complex (CLIC), which is subdivided progressively down-plunge from the Current Lake zone to the Bridge, Beaver Lake and South East Anomaly (SEA) zones.

Panoramic has commenced a full review of the Thunder Bay North Project's Resources and of all technical information in the 2011 PEA. Exploration activities are continuing from the Thunder Bay exploration office and evaluation studies are underway to optimise the PEA. These studies are reviewing and re-optimising the mining method and the mineral processing flow-sheet with the aim of reducing the estimated capital and operating costs in the PEA. Work has also continued on environmental and permitting work.

On exploration, Panoramic commenced a ten hole "step out" diamond drill program (*refer Figure 8*). This program is designed to test the CLIC down-plunge of existing underground resources within the Beaver Lake area in to the SEA zone. To date, four holes (totalling 4,606 metres) have been completed (BL12-444, 445, 446 & 447), one hole (BL12-443) abandoned and two holes (BL12-448 & 449) are still in progress. Selected assay results for holes BL12-444, 445 & 446 are reported as follows:

<b>Selected Assay Results – Beaver Lake/SEA Step-out Drilling Program</b>									
Hole Number	Sample Number	From (m)	To (m)	Interval (m)	Pt (ppb)	Pd (ppb)	Cu (ppm)	Ni (ppm)	Pt+Pd (ppm)
BL12-444	L020334	819.20	820.20	1.00	1.15	0.97	6420	2200	2.15
	L020335	820.20	821.20	1.00	0.64	0.36	6120	1305	1.00
	L020336	821.20	821.70	0.50	2.41	1.33	16200	2230	3.74
BL12-445	L018762	869.10	870.10	1.00	0.76	0.86	2610	1435	1.62
	L018763	870.10	870.60	0.50	0.37	0.34	935	379	0.72
BL12-446	L018773	748.00	749.00	1.00	0.21	0.20	785	930	0.41
	L018774	749.00	750.00	1.00	0.17	0.16	229	143	0.33

The mineralised interval in BL12-444 of 2.5m is considered significant as it could potentially lead to an extension of the known mineralisation approximately 375m to the southeast of the 437 Zone intercept, which itself is located 550m east of the defined TBNP underground Resource. It also suggests that thicker, higher grade mineralisation is present nearby. Down-hole electromagnetic (DHTEM) surveys will be completed in all the program holes to test for this scenario.

**Figure 7 – Location Map – Thunder Bay North PGM Project**

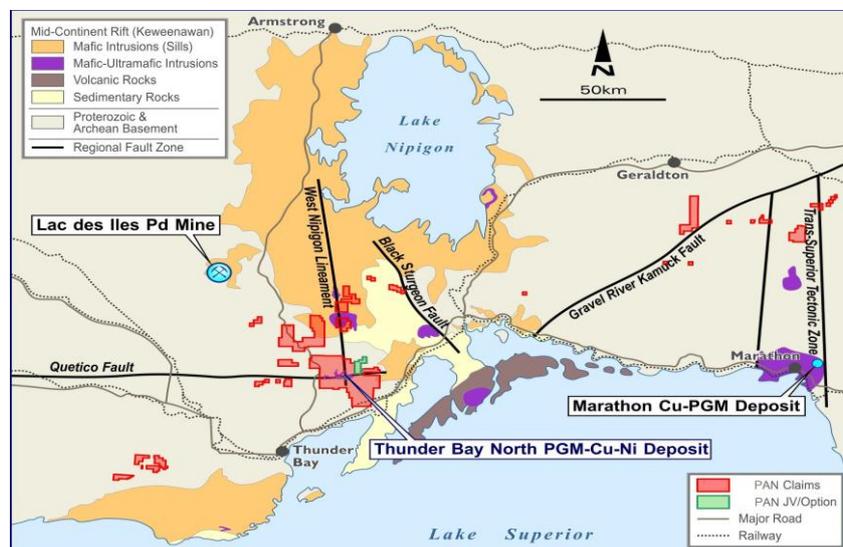
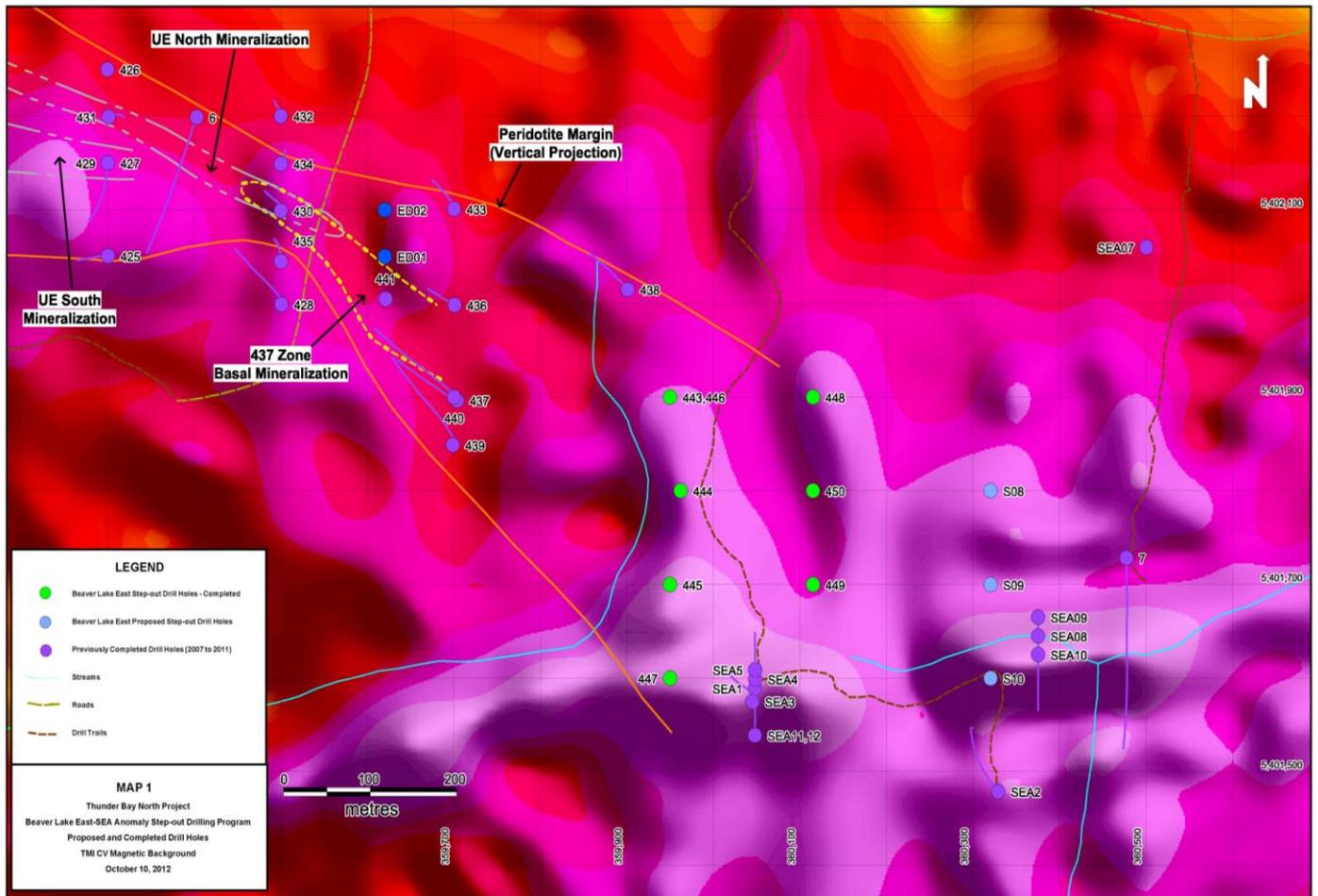




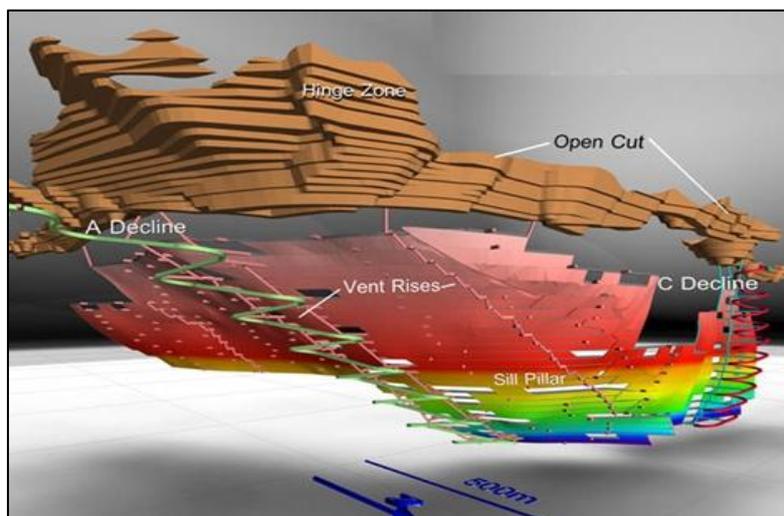
Figure 8 – TBNP “Step Out” drill program location plan



## PGM – Panton Project

Panton is located 60km south of our 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** (also refer to PLA's ASX announcement on 20 March 2012) with exploration potential at depth and along strike. The acquisition includes the rights to use the Panton Process, a patented metallurgical process.

Figure 9 – Panton Project – Proposed Mine Development





Panoramic considers the Panton Project to be a quality PGM development asset which fits within the Company's commodity diversification and growth strategy. In March 2012, PLA announced the results of a review of its 2003 Bankable Feasibility Study Review (2012 BFS Review). The 2012 BFS Review is currently being revisited, with the aim to increasing the understanding of the geology and to expand on mining and processing trials already undertaken by Panoramic in FY2007.

Panoramic believes that it can add significant value to the Panton Project through the optimisation of mining and processing options. There are also potential synergies with the Savannah Project that could result in improved economics for both projects (power, processing, logistics and personnel).

## Base Metal Exploration

### Savannah & East Kimberley Regional

#### *Savannah*

Drilling designed to explore for the continuation of the Savannah orebody below the 900 Fault structure at Savannah commenced in July 2012. DDH1 Drilling Pty Ltd is undertaking the program with two underground LM90 drill rigs. The program is anticipated to last approximately six months.

By the end of the quarter, 16 holes totalling 6,433 drill metres had been completed. Several narrow, high grade zones of "Savannah Style" massive sulphide mineralisation have been intersected (*also refer to ASX announcement dated 17 September 2012*). Assays results for the better intersections include:

- 9.70m grading 2.55% Ni, 0.52% Cu, 0.16% Co in KUD1500
- 8.46m grading 2.20% Ni, 0.51% Cu, 0.12% Co in KUD1504

Based on the holes completed to date, it has becoming apparent that the westerly component to the offset of the Savannah intrusion below the 900 Fault is much greater than previously thought. Consequently, the more prospective western margin of the Savannah Intrusion has been displaced further towards the west and has not been tested by any of the holes completed to date. Drill holes are now being targeted to test this region of the Savannah Intrusion below the 900 Fault.

Work on processing and interpreting the ground gravity survey completed on the Savannah mine leases in the June 2012 quarter has been delayed and will now be finalised in the December 2012 quarter. Two identified gravity anomalies located within the southern Savannah mine leases were covered with fixed loop electromagnetic (FLEM) surveys during the quarter. No EM responses were detected and no further work in planned on the two gravity features.

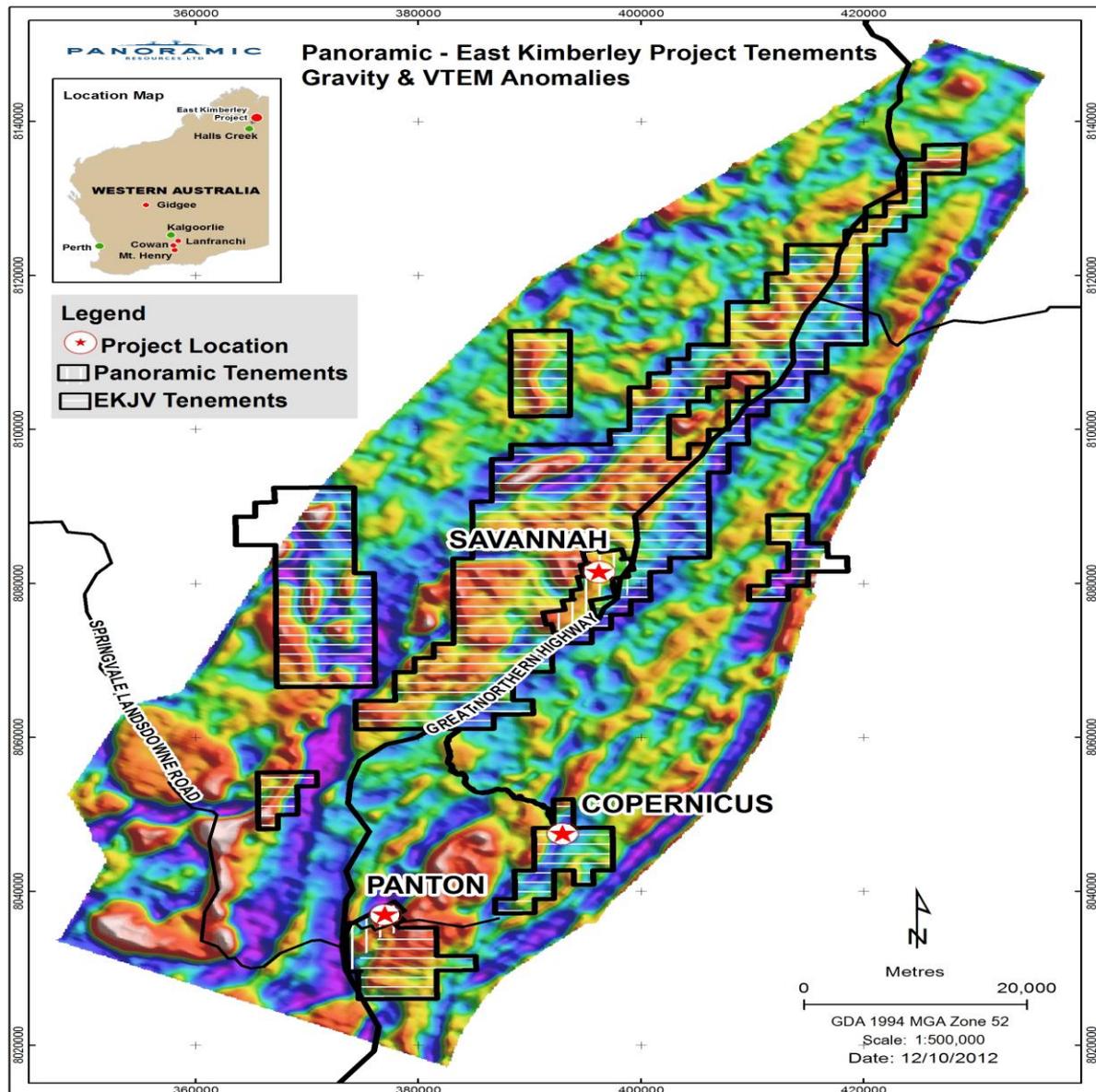
#### *East Kimberley JV (EKJV) (Panoramic ~63% or 80%)*

Fixed loop electromagnetic (FLEM) surveying of the highest ranked 2011 Mabel Downs and McKenzie Springs airborne electromagnetic (VTEM) anomalies was completed during the quarter, namely three FLEM surveys at McKenzie Springs south of Savannah and two surveys on Mabel Downs north of Savannah (*refer Figure 10*). The processing and interpretation of the FLEM data is ongoing. As previously reported, several priority EM targets have been identified at depth, adjacent to the western contact of the McKenzie Springs ultramafic intrusion. Applications were made during the quarter to complete Heritage surveys over the target areas ahead of drill testing the targets later in 2012.

Following the disappointing drill results reported last quarter from the Lodestar JV ground near Springvale, Panoramic has formally withdrawn from the Lodestar JV.



Figure 10 - EKJV regional gravity gradiometer survey area showing major activity areas



## Lanfranchi

### Overview

Exploration activities at Lanfranchi focused on the ongoing extensional underground drilling program. The drilling program comprised a total of 65 diamond drill holes, consisting of:

- Three extensional exploration holes from the Lanfranchi 17K exploration drill drive for a total of 769 drill metres;
- Forty three (43) infill resource definition holes from the Lanfranchi 17K exploration drill drive for a total of 6,001 drill metres; and
- Nineteen holes from the Deacon 7400 hanging wall drill drive for a total of 3,384 drill metres.

## Underground Exploration

### Deacon-Schmitz

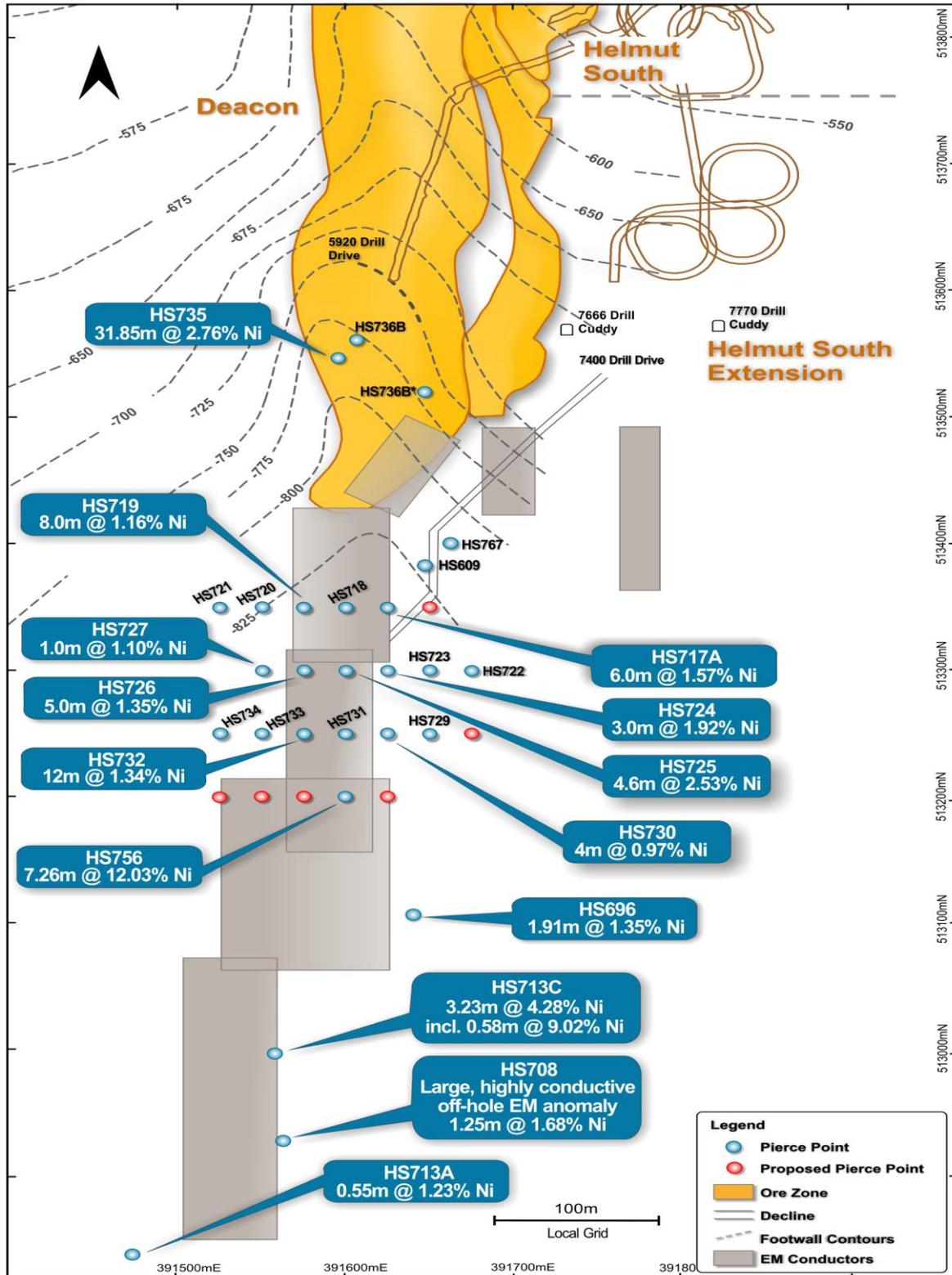
Drilling to target and evaluate the series of EM conductors previously identified down-plunge of Deacon continued during the quarter from the Deacon 7400 hanging wall drill drive (refer Figure 11). Ultramafic ground conditions about the drive proved to be problematic and five holes (totalling 629 drill metres) were abandoned due to poor ground conditions. Towards to end of the quarter, the drill rig was relocated to the HS752 access drive in anticipation of continuing the program in less difficult ground. The latest drill results from the Deacon program are summarised in Figure 11.



## Schmitz/Skinner (Jury-Metcalf Zone) Drilling

No drilling, awaiting completion of the Schmitz hanging wall drill drive

**Figure 11 – Deacon Orebody showing latest drill results (Plan View)**





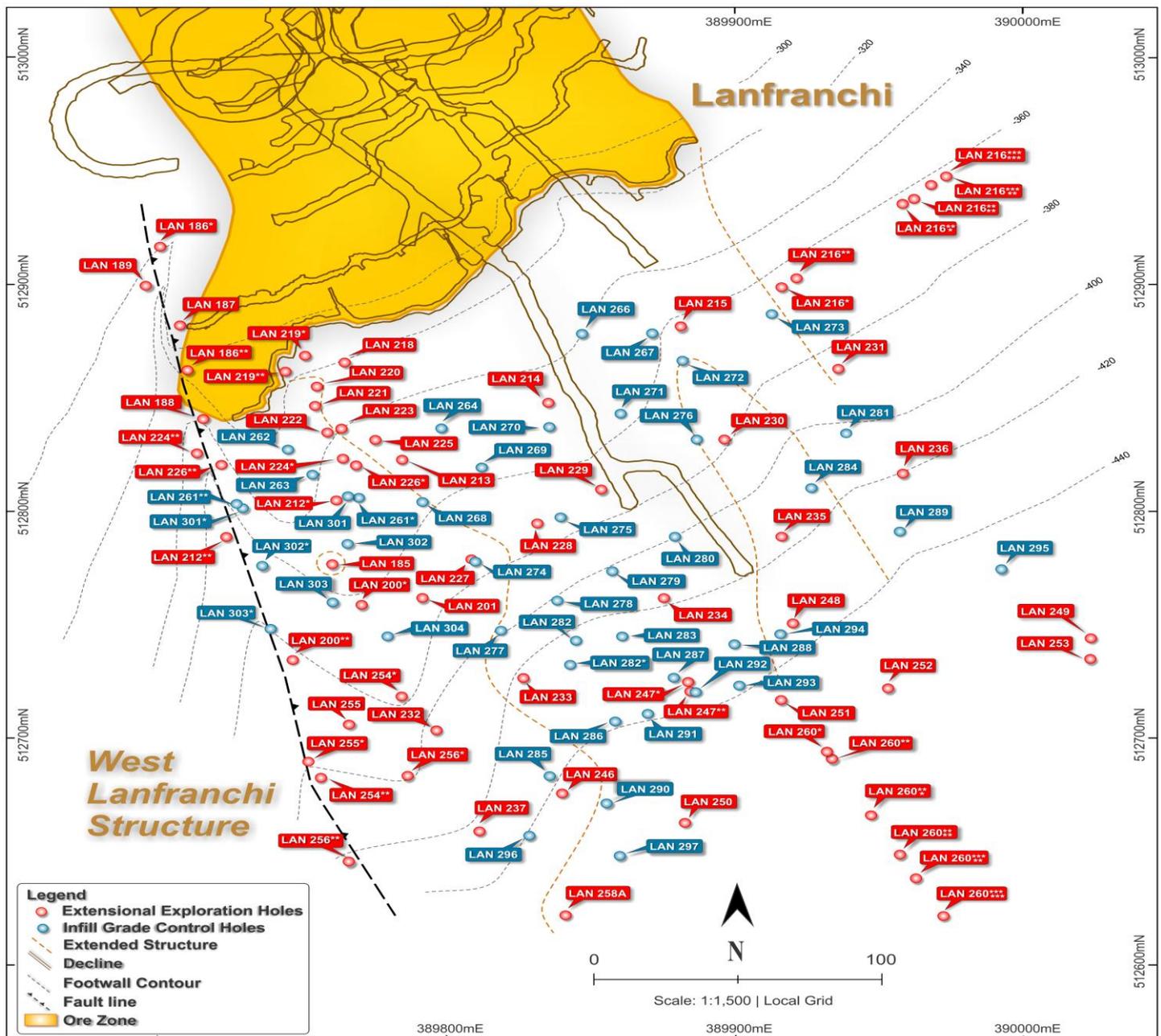
## Lanfranchi Orebody Extension

Drilling to explore and delineate 250 to 300 metres down-plunge of the Lanfranchi orebody has been ongoing from the Lanfranchi 17K hanging wall drill drive. Since March 2012, this program has been underway to update the Lanfranchi Resource model, including the West Lanfranchi structure that was first identified in 2010. The initial phase of broader spaced extensional drill holes was completed in July 2012, followed by the current program of infill resource definition holes (*refer Figure 12*). This infill program is expected to be completed before the end of 2012.

A total of 46 drill holes were completed during the quarter, 3 holes (769 drill metres) from the initial extensional program and 43 holes (6,001 drill metres) from the follow-up, infill resource definition program. Significant results returned during the quarter include:

- **10.18m at 3.84% Ni in LAN260**
- **7.15m at 3.26% Ni in LAN267**
- 2.91m at 5.32% Ni in LAN271
- 5.28m at 4.76% Ni in LAN273
- 2.50m at 5.39 % Ni in LAN274
- 3.45m at 3.75% Ni in LAN275
- 3.32m at 4.44% Ni in LAN277
- 4.05m at 5.78% Ni in LAN278
- 1.16m at 12.76% Ni in LAN279
- **4.39m at 5.74% Ni in LAN282**
- **2.17m at 7.02% Ni in LAN284**
- 5.15m at 3.90% Ni in LAN289

**Figure 12 – Lanfranchi Orebody showing latest drilling (Plan View)**





### ***Surface Exploration***

No activity.

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

No activity, awaiting final approval to test the 17 remaining targets identified within the project.

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

Panoramic has now formally withdrawn from the Bluebush Cu-Au JV.

### ***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 were initially formed to explore for Palaeoproterozoic volcanic massive sulphide (VMS) style Cu-Zn mineralisation in Finland. During 2011, Panoramic established three new joint ventures with Drake to explore for copper-rich massive sulphide mineralisation in Norway. The three Norway JV areas are Løkken, Sulitjelma and Hersjo.

#### ***Finland (Kangisjarvi-Savia Joint Ventures)***

Following disappointing results from the second campaign of drill testing completed in the June 2012 quarter, Panoramic and Drake have agreed to wind-up the Kangisjarvi and Savia JVs in Finland. With testing of all the highest ranked EM and gravity targets completed, it was decided the lower priority, second order anomalies did not warrant further testing.

#### ***Norway (Løkken, Sulitjelma & Hersjo Joint Ventures)***

As previously reported, work on the Hersjo and Lokken JVs in Norway has reached the point where several high priority drill targets have been identified. Panoramic and Drake are currently examining various options to progress both programs. The Sulitjelma project is far less advanced and the planned VTEM survey of the project has been deferred until 2013.

### **Group Resources & Reserves Tables**

The Company's "2012 Business Review" was released on 19 October 2012 which included the Group's Resource and Reserve Tables as at 30 June 2012. Highlights include:

- Gold resources of 2.07Moz contained Au, an increase of 1.76Moz of gold since 2011 (with a further increase of 112Kozs to 2.18Moz with the recent upgrades on the Howards and Heron South Resources);
- PGM resources of 2.8Moz contained Pt and Pd (1.4Moz Pt and 1.4Moz Pd);
- Base metal resources of 193,500t contained Ni, 41,900t contained Cu and 4,000t contained Co; and
- Base metal reserves of 85,000t contained Ni, 25,100t contained Cu and 2,400t contained Co.

The base metal reserves have decreased from 30 June 2011 from a combination of:

- depletion of mine reserves over the 12 months following the Group's FY2012 production record of 21,235t contained Ni in ore;
- a review of supporting technical assumptions (ie. geological understanding, cut off grades etc); and
- changes in the commodity price and exchange rate assumptions.

The latest Group Resources and Reserves Table, including the October 2012 upgrade in Gold Resources is shown in Appendix 3

## **Corporate**

### **Liquid Assets & Debt**

Cash on hand at the end of the quarter was \$38 million plus receivables of \$31 million, for a total of \$69 million in current liquid assets. The operations, net of Perth office costs, generated \$5 million in free cash flow (after working capital movements) during the quarter. Significant cash outflows for the quarter, outside of normal operating and sustaining capital expenditure requirements included:

- \$3.5 million - final payment on a 70% JV interest in the Mt Henry Gold Project
- \$0.8 million - exploration and feasibility activities at the Gidgee Gold Project



- \$1.2 million - Savannah Lower Zone Ventilation Project
- \$0.9 million - costs associated with the successful off-market takeover of Magma Metals

The Panoramic Group debt totalled \$12.6 million for finance leases on mobile equipment.

### Cost Savings & Productivity Initiatives

The main cost increases in FY2012 at both operating sites were in labour, contractors, diesel fuel and consumables. The Company is actively looking at various cost savings and productivity initiatives to reduce costs across the business by \$10 to \$15 million on an annual basis, by:

- reducing power (diesel) consumption;
- preventing equipment damage to reduce repair and maintenance costs and to increase availability / productivity;
- a review and reduction in the use of contractors and consultants across the business;
- a reduction in corporate expenses such as travel and legal costs, general overheads; and
- prioritising exploration expenditure on a “value-add” basis.

The recent announcements of various major resource project deferrals/cancellations and the general consensus that the sector is moving from a “development” to “production” phase of the resource commodity cycle, is expected to take some cost pressures off the resources sector. This easing would be very welcome by all resource companies including Panoramic. The operations, exploration and project development teams worked hard during the earlier FY2013 budgeting process to achieve realistic “across the board” savings. However, the Company is determined to find additional savings where possible.

### Hedging

The Company did not add to its hedge book during the quarter.

Since the end of the quarter, the Company has purchased 450t of nickel put options at US\$18,000/t (US\$8.16/lb) for delivery November 2012 to April 2013. To partially offset the cost of the put options, 375t of nickel call options were granted at US\$23,000/t (US\$10.43/lb) for delivery December 2012 to April 2013.

At the current spot US\$ nickel price and based on current forecast production (on a payable nickel basis), the Company is approximately 17% hedged for the remainder of FY2013 (comprising 4% nickel forwards and 13% nickel puts). At the current spot US\$ nickel price, the 1,050t of future US\$ nickel call options will not be exercised on the Company.

**Table 4: Group Hedge Book – A\$ Mark-to-Market Valuation as at 30 September 2012**

Commodity	Mark-to-Market 30 Sep 2012	Mark-to-Market 30 June 2012
Nickel Forwards	\$2.8 million	\$6.5 million
Bought Nickel Put Options	\$0.7 million	\$2.3 million
Sold Nickel Call Options	(\$0.1 million)	(\$0.1 million)
Bought Diesel Call Options	-	\$0.1 million
Sold US\$ Currency Call Options	-	(\$0.2 million)
<b>Total Mark-to-Market</b>	<b>\$3.4 million</b>	<b>\$8.6 million</b>

### Investment in Listed Entities

As at 30 September 2012, the Company had investments in the following listed entities:

- Hot Chili Limited (ASX:HCH) – 11.5 million shares, 1.61 million unlisted options at \$0.75 strike, expiry 9 December 2012
- Thundelarra Exploration Ltd (ASX:THX) – 2.2 million shares
- Lione Resources Limited (ASX:LTR) – 2.8 million shares

The market value of these equity investments as at 30 September 2012 was approximately \$6.2 million.



## Share-Buyback

On the 26 June 2012, the Company announced its intention to conduct an on-market share buyback of up to 20.7 million shares. At that time the Board believed, and still does, that the Company's shares were trading at a level which undervalued the Company's assets. The Board further stated that it was committed to actively managing the Company's capital, and at that time believed that a share buyback would provide the best opportunity to consolidate the Company's capital base for the benefit of shareholders. The Board advised that it would continue to assess the merits of this capital management initiative as market conditions evolved, reserving the right to suspend or terminate the buyback at any time.

Soon after the announcement of the proposed share buyback, there were some significant events that required resolution on/clarification prior to the commencement the buyback. These events were in relation to the finalisation of the Mt Henry Gold Project in mid-July, the announcement of the Gidgee Scoping Study in early August and moreover to the combination of weakening commodity prices and the strengthening in the A\$ that required a review of the capital management strategy across the business. Following this review, the Board determined it was not in the Company's best interest to commence the share buyback at this time, but rather to use the available funds earmarked for the buyback on project development, exploration and working capital requirements.

## About the Company

Panoramic Resources Limited (ASX Code PAN, ABN 47 095 792 288) is an established Western Australian mining company operating two 100% owned underground nickel sulphide mines, the Savannah Project in East Kimberley, and the Lanfranchi Project near Kambalda, Western Australia. On a Group basis, Panoramic produced a record 19,791t of nickel contained in concentrate/ore in FY2012 and is forecasting to produce between **18,000 and 19,000t** of nickel in FY2013. Panoramic is an S&P/ASX 300 index Company with a strong balance sheet, minimal bank debt and a growing nickel, gold and PGMs resource base, employing more than 500 people (including contractors).

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic recently purchased the high-grade Wilsons Project located within the Gidgee tenement package as well as a 70% interest in the Mt Henry Gold Project. Panoramic's Gold Resources now contain 2.07M oz of gold. Panoramic released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee which is being updated and has commenced a Bankable Feasibility Study on the Mt Henry Project.

The Company has recently expanded into Platinum Group Metals (PGMs) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley, which contains approximately 1.0Moz of Pt and 1.1Moz of Pd in Resource. Panoramic also owns the Thunder Bay North PGM Project in northern Ontario, Canada which contains approximately 0.4Moz Pt and 0.4Moz Pd and a suite of exploration projects for gold and base metals in Western Australia.

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

**For further information contact:  
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+61 8 9225 0999**

*The information in this release that relates to Exploration Results is based on information reviewed by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee of Panoramic Resources Limited. Mr Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.*

*Additional Competent Persons disclosures are given in Appendix 3.*


**Appendix 1 - Panoramic Group Hedge Book as at 30 September 2012**

Commodity	Quantity 30 Sep 2012	Average Price/Rate 30 Sep 2012
<b><u>Nickel -</u></b> <b>Nickel Forwards</b> (delivery to Oct 2012-Mar 2013)	375t	US\$26,333/t <b>US\$11.94/lb</b>
<b>Bought Nickel Put Options **</b> (delivery Oct 2012-Jun 2013)	1,125t	US\$18,000/t <b>US\$8.16/lb</b>
<b>Sold Nickel Call Options **</b> (delivery Oct 2012-Jun 2013)	1,050t	US\$24,929/t <b>US\$11.31/lb</b>
<b><u>Diesel -</u></b> <b>Bought Diesel Call Options</b> (delivery Oct 2012-Mar 2013)	375,000litres/mth	US\$0.90/litre
<b><u>US\$/A\$ FX -</u></b> <b>Bought US\$ Put Options</b> (delivery Oct 2012 to Dec 2012)	US\$12.0 million	US\$1.115 FX
<b>Sold US\$ Call Options</b> (delivery Oct 2012 to Dec 2012)	US\$12.0 million	US\$0.95 FX

\*\* includes nickel derivatives that were added after 30 September 2012


**Appendix 2 - Gidgee Reverse Circulation (RC) and Aircore Drilling Results received in the September 2012 Qtr**
**Table 1: RC Intercepts**

Hole	East	North	RL	Dip	Azi	From	To	Intercept	Notes
<b>Heron South</b>									
HRC508	743,572	6,969,040	506	-53	270	106	121	15m @ 2.02 g/t	1
HRC512	743,588	6,969,080	506	-60	270	144	152	8m @ 3.55 g/t	1
						160	162	2m @ 1.03 g/t	
HRC513	743,575	6,969,060	506	-55	270	36	40	4m @ 1.62 g/t	
						107	108	1m @ 0.71 g/t	
						111	114	3m @ 3.56 g/t	1
						116	120	4m @ 2.77 g/t	1
						123	129	6m @ 1.56 g/t	1
HRC514	743,594	6,969,180	506	-60	270	144	146	2m @ 1.88 g/t	
						154	155	1m @ 4.20 g/t	
						165	167	2m @ 1.17 g/t	
HRC515	743,599	6,969,136	506	-60	270	158	170	12m @ 2.35 g/t	1
HRC516	743,586	6,969,220	506	-60	270	40	44	4m @ 0.66 g/t	
						123	125	2m @ 41.88 g/t	1
						156	157	1m @ 1.33 g/t	1
						159	163	4m @ 1.11 g/t	1
HRC517	743,575	6,969,300	506	-60	270	86	88	2m @ 0.65 g/t	
						125	126	1m @ 4.73 g/t	
						134	136	2m @ 1.04 g/t	
HRC518	743,585	6,968,990	506	-60	270	39	42	3m @ 3.40 g/t	1
						47	48	1m @ 1.52 g/t	
						139	150	11m @ 2.44 g/t	1
HRC519	743,611	6,968,990	506	-60	270	185	188	3m @ 0.98 g/t	
HRC521	743,576	6,969,035	506	-60	270	117	119	2m @ 0.89 g/t	
						123	132	9m @ 5.89 g/t	1
						134	138	4m @ 0.53 g/t	
						159	160	1m @ 4.14 g/t	
HRC522	743,605	6,969,035	506	-60	270	163	172	9m @ 1.92 g/t	
HRC523	743,611	6,969,045	506	-65	270	190	193	3m @ 1.75 g/t	
						196	197	1m @ 1.12 g/t	
						199	200	1m @ 0.80 g/t	
						209	212	3m @ 1.01 g/t	
HRC524	743,585	6,969,065	506	-59.5	270	135	153	18m @ 1.25 g/t	
						159	161	2m @ 0.56 g/t	
HRC525	743,610	6,969,065	506	-60	270	173	174	1m @ 0.91 g/t	
						176	177	1m @ 0.57 g/t	
						183	190	7m @ 1.83 g/t	1
						194	198	4m @ 1.79 g/t	1
HRC526	743,580	6,969,085	506	-60	270	131	144	13m @ 2.55 g/t	
						152	154	2m @ 8.64 g/t	
HRC527	743,609	6,969,240	506	-60	270	145	150	5m @ 0.92 g/t	



Hole	East	North	RL	Dip	Azi	From	To	Intercept	Notes
						198	201	3m @ 1.41 g/t	
HRC528	743,610	6,969,085	506	-60	270	172	173	1m @ 0.90 g/t	
						175	189	14m @ 1.92 g/t	
HRC529	743,605	6,969,105	506	-65	270	189	194	5m @ 2.68 g/t	
						202	204	2m @ 1.65 g/t	
HRC530	743,579	6,969,125	506	-65	270	145	150	5m @ 3.25 g/t	
						152	153	1m @ 0.55 g/t	
						155	160	5m @ 1.85 g/t	
						174	175	1m @ 1.30 g/t	
HRC531	743,610	6,969,135	506	-60	272	167	170	3m @ 1.08 g/t	
						172	173	1m @ 0.87 g/t	
						178	190	12m @ 2.77 g/t	
HRC532	743,580	6,969,145	507	-60	270	129	132	3m @ 1.36 g/t	
						136	144	8m @ 1.91 g/t	
HRC533	743,616	6,969,190	506	-65	270	197	200	3m @ 0.55 g/t	
						204	207	3m @ 2.34 g/t	
HRC534	743,585	6,969,210	506	-60	270	112	115	3m @ 2.43 g/t	
						119	121	2m @ 0.91 g/t	
						123	124	1m @ 2.61 g/t	
						126	127	1m @ 0.77 g/t	
HRC535	743,581	6,969,240	506	-60	270	102	116	14m @ 3.78 g/t	
HRC536	743,602	6,969,011	506	-62	273	173	174	1m @ 0.94 g/t	
						177	180	3m @ 0.98 g/t	

## Howards

HWRC163	753,990	6,960,352	495	-60	90	38	42	4m @ 0.77 g/t	1
						44	45	1m @ 0.58 g/t	1
						51	55	4m @ 0.73 g/t	1
						58	59	1m @ 0.56 g/t	1
						61	63	2m @ 1.18 g/t	1
						75	76	1m @ 1.77 g/t	
						88	98	10m @ 2.05 g/t	1
						102	108	6m @ 1.00 g/t	1
HWRC164	753,974	6,960,390	495	-55	90	65	72	7m @ 2.59 g/t	1
						89	102	13m @ 2.46 g/t	1
						104	105	1m @ 0.77 g/t	1
						107	108	1m @ 0.53 g/t	1
						116	120	4m @ 0.81 g/t	
HWRC165A	753,966	6,960,432	495	-57	89	49	50	1m @ 2.36 g/t	1
						52	55	3m @ 0.67 g/t	1
						62	64	2m @ 3.42 g/t	1
						72	73	1m @ 0.57 g/t	1
						75	81	6m @ 1.79 g/t	1
						83	84	1m @ 1.70 g/t	1
						89	92	3m @ 1.48 g/t	1
						98	100	2m @ 0.89 g/t	1



Hole	East	North	RL	Dip	Azi	From	To	Intercept	Notes
						105	110	5m @ 2.10 g/t	1
HWRC166	753,955	6,960,472	495	-57	89	10	11	1m @ 2.81 g/t	
						63	64	1m @ 0.81 g/t	
						86	91	5m @ 1.68 g/t	1
						106	108	2m @ 1.52 g/t	
						121	126	5m @ 4.33 g/t	1
HWRC167	753,947	6,960,554	495	-55	90	82	90	8m @ 2.02 g/t	1
						93	95	2m @ 1.54 g/t	1
						97	98	1m @ 0.56 g/t	
						100	122	22m @ 1.68 g/t	1
						129	137	8m @ 1.19 g/t	1
HWRC168	753,945	6,960,671	495	-55	90	48	49	1m @ 0.83 g/t	
						51	54	3m @ 0.74 g/t	
						65	68	3m @ 1.21 g/t	
						90	91	1m @ 0.59 g/t	
						94	96	2m @ 1.86 g/t	
						100	114	14m @ 2.63 g/t	1
						139	140	1m @ 3.32 g/t	
						154	155	1m @ 1.56 g/t	
160	161	1m @ 2.31 g/t							
HWRC169	753,949	6,960,630	495	-55	90	52	56	4m @ 1.62 g/t	
						72	74	2m @ 1.55 g/t	1
						77	91	14m @ 1.66 g/t	1
						93	104	11m @ 1.18 g/t	1
						106	114	8m @ 0.74 g/t	
						121	131	10m @ 1.82 g/t	1
						133	134	1m @ 0.51 g/t	
HWRC170	753,964	6,960,769	496	-55	90	36	40	4m @ 0.57 g/t	
						45	53	8m @ 0.86 g/t	1
						62	74	12m @ 0.85 g/t	1
						97	100	3m @ 0.83 g/t	
HWRC171	753,940	6,960,748	496	-60	90	50	52	2m @ 1.31 g/t	
						64	65	1m @ 0.99 g/t	
						80	84	4m @ 1.16 g/t	1
						86	89	3m @ 1.43 g/t	1
						92	101	9m @ 1.37 g/t	1
						103	104	1m @ 5.39 g/t	1
						108	111	3m @ 0.82 g/t	
119	126	7m @ 2.16 g/t	1						
HWRC172	753,947	6,960,789	496	-55	90	76	77	1m @ 0.85 g/t	1
						82	94	12m @ 1.73 g/t	1
HWRC173	753,949	6,960,850	496	-55	90	43	45	2m @ 1.05 g/t	1
						48	49	1m @ 2.04 g/t	1
						51	56	5m @ 0.75 g/t	1
						59	60	1m @ 0.87 g/t	



Hole	East	North	RL	Dip	Azi	From	To	Intercept	Notes
						72	75	3m @ 0.92 g/t	
						80	88	8m @ 3.06 g/t	1
						93	96	3m @ 0.90 g/t	
HWRC174	753,944	6,960,910	496	-62	89	70	72	2m @ 1.22 g/t	
						86	90	4m @ 1.62 g/t	1
HWRC175	753,979	6,960,890	496	-57	89	33	52	19m @ 1.63 g/t	1
HWRC176	753,956	6,960,890	496	-57.5	89	32	36	4m @ 1.07 g/t	
						56	60	4m @ 0.54 g/t	
						62	75	13m @ 2.40 g/t	1
HWRC177	753,951	6,960,930	496	-58	89	59	60	1m @ 8.71 g/t	1
						73	83	10m @ 0.74 g/t	1
						85	86	1m @ 0.90 g/t	1
HWRC178	753,972	6,960,470	495	-57	89	60	103	43m @ 1.69 g/t	1
						108	111	3m @ 1.98 g/t	1
HWRC179	753,978	6,960,511	495	-57	89	43	52	9m @ 1.48 g/t	1
						55	59	4m @ 1.90 g/t	1
						61	75	14m @ 1.15 g/t	1
						77	86	9m @ 1.33 g/t	1
						89	93	4m @ 2.53 g/t	1
HWRC180	753,916	6,960,591	495	-55	89	106	112	6m @ 0.54 g/t	1
						115	118	3m @ 2.19 g/t	1
						122	130	8m @ 1.82 g/t	1
HWRC181	753,943	6,960,711	495	-57	89	76	78	2m @ 1.71 g/t	
						85	99	14m @ 0.85 g/t	1
						102	105	3m @ 1.38 g/t	1
						107	116	9m @ 3.37 g/t	1
HWRC182	753,947	6,960,831	496	-60	89	61	66	5m @ 1.40 g/t	1
						68	69	1m @ 1.07 g/t	1
						89	95	6m @ 0.56 g/t	
						97	100	3m @ 2.57 g/t	1
						102	104	2m @ 0.95 g/t	
						110	115	5m @ 22.62 g/t	1
HWRC184	754,117	6,960,629	496	-62	270	27	32	5m @ 3.12 g/t	
						36	37	1m @ 2.42 g/t	
						178	179	1m @ 0.73 g/t	
						187	195	8m @ 1.19 g/t	
HWRC185	753,972	6,960,932	496	-58	89	40	43	3m @ 2.87 g/t	
						52	53	1m @ 0.83 g/t	
HWRC186	753,933	6,960,891	496	-57	90	12	16	4m @ 0.79 g/t	
						84	85	1m @ 0.96 g/t	
						92	96	4m @ 1.80 g/t	
						98	100	2m @ 0.62 g/t	
						102	105	3m @ 2.45 g/t	
						107	114	7m @ 2.54 g/t	
HWRC187	753,977	6,960,769	496	-59	90	13	16	3m @ 1.74 g/t	



Hole	East	North	RL	Dip	Azi	From	To	Intercept	Notes
						43	50	7m @ 1.29 g/t	
						53	62	9m @ 1.20 g/t	
HWRC188	754,003	6,960,627	496	-58	90	8	28	20m @ 1.11 g/t	
HWRC189	754,004	6,960,469	495	-58	90	22	25	3m @ 1.14 g/t	
						30	31	1m @ 0.99 g/t	
						33	48	15m @ 0.82 g/t	
						52	53	1m @ 0.58 g/t	
						55	67	12m @ 0.90 g/t	
						81	88	7m @ 1.02 g/t	
HWRC190	754,012	6,960,390	495	-60	90	17	24	7m @ 1.71 g/t	
						28	30	2m @ 1.82 g/t	
						32	43	11m @ 0.92 g/t	
						45	48	3m @ 0.72 g/t	
						52	53	1m @ 1.40 g/t	
						55	56	1m @ 0.68 g/t	
						62	63	1m @ 3.34 g/t	
						69	71	2m @ 1.74 g/t	
HWRC191	754,024	6,960,352	495	-60	90	10	12	2m @ 2.38 g/t	
						15	16	1m @ 1.34 g/t	
						26	33	7m @ 1.02 g/t	
						35	39	4m @ 1.05 g/t	
						42	45	3m @ 0.55 g/t	

### Eagle

SBRC045	738,681	6,981,825	521	-59.5	90	177	179	2m @ 1.20 g/t	
						184	187	3m @ 0.96 g/t	
						194	199	5m @ 7.68 g/t	1
						202	204	2m @ 1.33 g/t	

### Wilson's

TTRC351	744,723	6,996,453	595	-55	79	86	90	4m @ 0.78 g/t	
						93	97	4m @ 5.64 g/t	
TTRC352	744,582	6,996,624	596	-60	76	108	110	2m @ 3.70 g/t	
						114	115	1m @ 0.95 g/t	
						117	132	15m @ 3.99 g/t	
TTRC353	744,552	6,996,617	595	-60	76	133	136	3m @ 1.16 g/t	
						138	142	4m @ 1.00 g/t	
						144	154	10m @ 6.83 g/t	

Intercept parameters - 0.5g/t lower cut-off, with 1m maximum internal waste.

Notes: 1. Intercepts based on 1m samples, replacing previously reported intercepts based on 4m composites



Table 2: Aircore Intercepts

Hole	East	North	RL	Dip	Azi	From	To	Intercept
<b>Eagle South</b>								
GPAC0823	739,050	6,981,425	517	-90	360	16	20	4m @ 0.66 g/t
						28	44	16m @ 1.07 g/t
GPAC0842	739,008	6,981,229	517	-90	360	28	32	4m @ 1.26 g/t
<b>Galah</b>								
GPAC0771	740,200	6,982,650	518	-90	360	64	68	4m @ 1.30 g/t
GPAC0783	740,250	6,982,450	518	-90	360	24	40	16m @ 4.80 g/t
GPAC0803	741,500	6,983,450	521	-90	360	24	28	4m @ 0.80 g/t
<b>Heron South</b>								
GPAC0852	743,350	6,968,612	507	-90	360	96	100	4m @ 2.09 g/t
GPAC0863	743,550	6,968,810	506	-90	360	52	56	4m @ 0.52 g/t
GPAC0864	743,650	6,968,810	506	-90	360	60	64	4m @ 0.80 g/t
GPAC0865	743,750	6,968,810	506	-90	360	112	114	2m @ 0.63 g/t
GPAC0867	743,450	6,968,900	507	-90	360	24	28	4m @ 4.06 g/t
GPAC0869	743,550	6,968,800	506	-90	360	80	84	4m @ 0.92 g/t
GPAC0876	743,500	6,969,415	506	-90	360	40	44	4m @ 0.62 g/t
GPAC0877	743,550	6,969,415	506	-90	360	80	88	8m @ 0.66 g/t
GPAC0878	743,600	6,969,415	506	-90	360	20	24	4m @ 0.56 g/t
GPAC0883	743,450	6,969,510	506	-90	360	24	28	4m @ 0.72 g/t
GPAC0887	743,200	6,969,620	506	-90	360	64	72	8m @ 0.79 g/t
GPAC0896	743,450	6,969,710	506	-90	360	56	60	4m @ 1.03 g/t
<b>Thornbill West</b>								
GPAC0812	739,100	6,981,750	517	-90	360	20	24	4m @ 0.72 g/t
						36	44	8m @ 2.59 g/t
<b>Twenty Eight</b>								
GPAC0845	739,529	6,980,848	517	-90	360	16	24	8m @ 2.55 g/t
						28	36	8m @ 1.39 g/t
						44	48	4m @ 0.92 g/t
<b>Victory</b>								
GPAC0698	747,030	6,968,960	505	-90	360	112	116	4m @ 1.16 g/t
GPAC0702	747,415	6,968,035	505	-90	360	32	36	4m @ 0.81 g/t
						76	80	4m @ 0.58 g/t
GPAC0703	747,441	6,968,046	505	-90	360	64	68	4m @ 0.63 g/t
						72	84	12m @ 0.61 g/t
						88	92	4m @ 2.01 g/t

Intercept parameters - 0.5g/t lower cut-off, with 1m maximum internal waste.



## Appendix 3 – 2012 Resource and Reserves Tables (October 2012)

### Table 1: Nickel

Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal Tonnes
				Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
<b>Savannah Project</b>		<b>100%</b>										
		Nickel	Jul-12	1,064,000	1.57	3,558,000	1.49	-	-	4,622,000	1.51	69,700
		Copper			0.73		0.81		-		0.79	36,600
		Cobalt			0.08		0.08		-		0.08	3,700
<b>Copernicus</b>		<b>~78%</b>										
		Nickel	Jul-10	307,000	1.08	316,000	1.38	18,000	1.01	641,000	1.23	7,900
		Copper			0.66		0.99		0.70		0.82	5,300
		Cobalt			0.04		0.05		0.03		0.04	300
<b>Lanfranchi Project</b>		<b>100%</b>										
		Nickel										
			Apr-11	-	-	2,018,000	1.42	611,000	0.79	2,629,000	1.28	33,600
			Jul-12	854,000	2.70	388,000	2.73	55,000	2.48	1,297,000	2.70	35,000
			Jul-07	-	-	-	-	652,000	1.63	652,000	1.63	10,600
			Jul-12	45,000	2.95	-	-	-	-	45,000	2.95	1,300
			Jun-12	35,000	4.65	125,000	3.68	15,000	1.77	175,000	3.71	6,500
			Jul-07	-	-	-	-	291,000	1.42	291,000	1.42	4,100
			Jul-12	17,000	6.08	62,000	5.38	7,000	5.44	86,000	5.52	4,700
			Jul-07	-	-	71,000	3.10	7,000	2.48	79,000	3.04	2,400
			Jul-07	-	-	-	-	992,000	1.49	992,000	1.49	14,800
			Jul-12	7,000	7.07	41,000	3.85	5,000	4.31	52,000	4.30	2,300
			Jul-11	-	-	14,000	4.40	-	-	14,000	4.40	600
<b>Total (Equity)</b>		Nickel										193,500
		Copper										41,900
		Cobalt										4,000

Reserve	Equity	Metal	Date of Reserve	Proven		Probable		Total		Metal Tonnes		
				Tonnes	(%)	Tonnes	(%)	Tonnes	(%)			
<b>Savannah Project</b>												
<b>Upper Zone</b>	100%	Nickel	Jul-12	-	-	862,000	1.34	862,000	1.34	11,600		
		Copper					0.63		0.63	5,400		
		Cobalt					0.07		0.07	600		
<b>Lower Zone</b>	100%	Nickel	Jul-12	-	-	2,608,000	1.32	2,608,000	1.32	34,400		
		Copper					0.68		0.68	17,800		
		Cobalt					0.06		0.06	1,700		
<b>Copernicus Open Pit</b>		<b>~78%</b>										
		Nickel	Jul-12	-	-	288,000	1.03	288,000	1.03	3,000		
		Copper					0.63		0.63	1,800		
		Cobalt					0.04		0.04	100		
<b>Lanfranchi Project</b>		<b>100%</b>										
		Nickel										
			Jul-12	-	-	1,375,000	2.01	1,375,000	2.01	27,600		
			Jul-12	-	-	48,000	2.24	48,000	2.24	1,100		
			Jul-12	-	-	43,000	3.08	43,000	3.08	1,300		
			Jul-12	-	-	21,000	3.04	21,000	3.04	600		
			Jul-12	-	-	233,000	2.30	233,000	2.30	5,300		
<b>Total (Equity)</b>		Nickel										85,000
		Copper										25,100
		Cobalt										2,400

• Savannah Project Resource cutoff grade at 0.50% Ni • Copernicus Project Resource cutoff grade at 0.50% Ni • Savannah Project Reserve cutoff grade is 0.98% Ni • Copernicus Project Reserve cutoff grade is 0.50% Ni

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

The information in this report that relates to Mineral Resources is based on information compiled by or reviewed by Paul Hetherington (MAusIMM) for the Savannah Project Resource and John Hicks (MAusIMM) for the Lanfranchi Project and Copernicus Project Resources. The aforementioned are full-time employees of Panoramic Resources Limited. The aforementioned have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The aforementioned consents to the inclusion in the report of the matters based on their information in the form and context in which it appears. Information in this report relating to Ore Reserves has been completed by or reviewed by Rob Thorburn (MAusIMM) for the Lanfranchi Project, Lilong Chen (MAusIMM) for the Savannah Project and Jonathon Bayley (MAusIMM) for the Copernicus project. The aforementioned are full-time employees of Panoramic Resources Limited. The aforementioned have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The aforementioned consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Table 2: Gold (updated for upgrades on Howards and Heron South Resources)**

Resource	Equity	Metal	Date of Resource	Measured		Indicated		Inferred		Total		Metal (Au oz)
				Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
<b>Gidgee Project</b>	<b>100%</b>	<b>Gold</b>										
Swan Bitter Open Pit			Jun-12	-	-	3,399,000	2.40	327,000	3.51	3,726,000	2.49	298,600
Heron South Open Pit			Oct-12	-	-	1,000,000	2.31	136,000	1.41	1,136,000	2.20	80,300
Howards Open Pit			Oct-12	-	-	2,557,000	1.43	975,000	2.08	3,532,000	1.61	182,500
Specimen Well Open Pit			Jun-12	-	-	289,000	2.06	72,000	1.79	361,000	2.00	23,200
Toedter Open Pit			Jun-12	-	-	-	-	661,000	1.62	661,000	1.62	34,400
Eagles Peak Open Pit			Mar-06	-	-	13,000	3.46	-	-	13,000	3.46	1,400
Orion Open Pit			Mar-06	-	-	22,000	3.04	-	-	22,000	3.04	2,200
Deep South Open Pit			Mar-06	-	-	20,000	3.02	-	-	20,000	3.02	1,900
Swan Bitter Underground			Jun-12	-	-	207,000	8.71	125,000	9.02	332,000	8.83	94,200
Swift Underground			Jun-12	-	-	-	-	72,000	9.23	72,000	9.23	21,400
Omega Underground			Mar-06	-	-	31,000	9.20	-	-	31,000	9.20	9,200
Kingfisher Underground			Mar-06	-	-	390,000	6.80	-	-	390,000	6.80	85,300
Wilson's Underground			Apr-08	-	-	921,000	7.25	535,000	6.42	1,457,000	6.95	325,400
<b>Mt Henry Project</b>	<b>70%</b>	<b>Gold</b>										
Selene			Feb-08	-	-	8,243,000	1.59	2,183,000	1.44	10,426,000	1.56	522,500
Mt Henry			Sep-09	-	-	4,112,000	1.93	3,569,000	1.76	7,680,000	1.85	457,100
North Scotia			Feb-09	-	-	150,000	5.20	241,000	2.17	391,000	3.33	42,000
<b>Total (Equity)</b>		<b>Gold</b>										<b>2,181,700</b>

**Gidgee Project**

• Swan Bitter Open Pit Resource cutoff grade is 0.7 g/t • Eagles Peak Resource cutoff grade is 1.2 g/t • Orion Resource cutoff grade is 1.3 g/t • Deep South Resource cutoff grade is 1.2 g/t • Swan Bitter Underground Resource cutoff grade is 4.0 g/t for Indicated Resources and 5.0 g/t for Inferred Resources • Swift Underground Resource cutoff grade is 5.0 g/t • Omega Underground Resource cutoff grade is 3.0 g/t • Kingfisher Underground Resource cutoff grade is 3.0 g/t. Individual project resources and reserves are stated on an equity basis.

The information in this report that relates to the Swan Bitter Open Pit, Eagles Peak, Orion, Deep South, Swan Bitter Underground, Swift Underground, Omega, and Kingfisher Mineral Resources is based on information compiled by or reviewed by Dr Spero Carras (FAusIMM). Dr Carras is the Executive Director of Carras Mining Pty Ltd and was acting as a consultant to Legend Mining Ltd in 2006 and Panoramic Resources Limited in 2012. Dr Carras has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Carras consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

• Heron South Resource cutoff grade is 0.5 g/t • Howards Resource cutoff grade is 0.5 g/t • Specimen Well Resource cutoff grade is 0.5 g/t • Toedter Resource cutoff grade is 0.5 g/t. Individual project resources and reserves are stated on an equity basis

The information in this report that relates to the Heron South, Howards, Specimen Well, and Toedter Mineral Resources is based on information compiled by or reviewed by John Hicks (MAusIMM). John Hicks is a full time employee of Panoramic Resources Ltd. John Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. John Hicks consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

• Wilsons Resource cutoff grade is 4.5 g/t. Individual project resources and reserves are stated on an equity basis

The information in this report that relates to the Wilsons Mineral Resource is based on information compiled by or reviewed by Andrew Thomson (MAusIMM). Andrew Thomson was a full-time employee of Apex Mining NL in 2009 and is currently a full-time employee of Corazon Mining Ltd. Andrew Thomson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Andrew Thomson consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

**Mt Henry Project**

• Mt Henry Project Resource cutoff grades are 1.0 g/t. Individual project resources and reserves are stated on an equity basis.

The information in this report that relates to the Mt Henry Project Mineral Resources is based on information compiled by or reviewed by Richard Breyley (MAusIMM). Richard Breyley is a full-time employee of Matsa Resources Ltd. Richard Breyley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Breyley consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

**Table 2: Platinum Group Metals (PGMs)**

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

**Thunder Bay North Open Pit Mineral Resource**

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

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

The updated resources do not include drilling conducted since 31 May 2010.

The information in this report that relates to Mineral Resources compiled by AMEC Americas Limited was prepared by Greg Kulla P.Ge (APOG #1752, APEGBC #23492) and David Thomas, P.Ge, MAusIMM (APEGBC #149114, MAusIMM #225250), both full time employees of AMEC Americas Limited. Mr. Kulla and Mr. Thomas have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) and independent qualified persons as this term is defined in National Instrument 43-101.

**Thunder Bay North Underground Mineral Resource**

Underground Mineral Resource Estimates: The internal mineral resource estimate for the East Beaver Lake extension was made by ordinary kriging methods using the same technical and financial parameters as those used by AMEC Americas Limited for the Underground Mineral Resource estimate reported by Magma Metals Limited on 6 September 2010. The Underground Mineral Resource is reported at a cut-off grade of 1.94g/t Pt-Eq. The contained metal figures shown are in situ. The platinum equivalency formula is based on assumed metal prices and recoveries and therefore represents Pt-Eq metal in situ. The Pt-Eq formula is: Pt-Eq g/t = Pt g/t + Pd g/t x 0.2721 + Au g/t x 0.3968 + Ag g/t x 0.0084 + Cu g/t x 0.000118 + Sulphide Ni g/t x 0.000433 + Sulphide Co g/t x 0.000428 + Rh g/t x 2.7211. The assumed metal prices used in the Pt-Eq formula are: Pt US\$1,470/oz, Pd US\$400/oz, Rh US\$4,000/oz, Au US\$875/oz, Ag US\$14.30/oz, Cu US\$2.10/lb, Ni US\$7.30/lb and Co US\$13.00/lb. The assumed process recoveries used in the Pt-Eq formula are: Pt 75%, Pd 75%, Rh 75%, Au 50%, Ag 50%, Cu 90%, and Ni and Co in sulphide 90%.

The assumed smelter recoveries used in the Pt-Eq formula are Pt 85%, Pd 85%, Rh 85%, Au 85%, Ag 85%, Cu 85%, Ni 90% and Co 50%. To account for a portion of the Ni and Co occurring as silicate minerals, Ni and Co in sulphide were estimated by linear regression of MgO to total Ni and total Co respectively. The regression formula for Ni in sulphide (NiSx) is: NiSx = Ni - (MgO% x 60.35 - 551.43). The regression formula for Co in sulphide (CoSx) is: CoSx = Co - (MgO% x 4.45 - 9.25). All figures have been rounded. Summations within the tables may not agree due to rounding. Magma undertook quality assurance and quality control studies on the mineral resource data and concluded that the collar, assay and lithology data are adequate to support resource estimation. The Mineral Resource categories under JORC are the same as the equivalent categories under CIM Definition Standards (2005). The Mineral Resource has been estimated in conformity with both generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" (2003) guidelines and the JORC Code (2004). Mineral resources are not mineral reserves and do not have demonstrated economic viability.

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



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

#### Panton Project Mineral Resource

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 ten 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.