



31 January 2013

ASX: PAN

## Quarterly Report for the period ending 31 December 2012

### Significant Points

#### GROUP

- Safety – Lost Time Injury Frequency Rate of 5.35 at the end of the quarter, one Lost Time Injury reported
- Group Nickel Production – **4,367t Ni (9,236t Ni for the half year), 18,000 to 19,000t Ni FY2013 guidance maintained**
- Cash Flow from Operations – **\$7 million in free cash flow from operations**, inclusive of Perth Office costs
- Group Costs – Group Ni payable cash costs of A\$7.12/lb (inclusive of royalties), above forecast due to lower than budget nickel production at Savannah
- Liquid Assets – **\$66 million** at the end of the quarter

#### NICKEL

##### Savannah

- Production – **1,491t Ni in concentrate**, 25% below budget due to production interruptions
- Costs – **total costs steady**, payable cash costs of A\$8.10/lb Ni (inclusive of royalties) impacted by below budget production
- Projects – new ventilation shaft completed, second stage tailings storage facility lift receives statutory approval
- Exploration – **positive results received from drilling below the 900 Fault**

##### Lanfranchi

- Production – **2,876t Ni in ore, 8% above budget**
- Costs – **total costs down**, payable cash costs of A\$6.53/lb Ni (including royalties)
- Mining – optimisation of Deacon mine plan undertaken to improve production flexibility and lower operating costs
- Exploration – **outstanding assay results from drilling at Jury-Metcalf and Deacon**

#### GOLD

##### Gidgee

- **Upgraded Howards and Heron South Resources released, total Resource base now 1.2Moz Au**
- Resource and geotechnical drill program commenced for the Bankable Feasibility Study
- Indicative financing terms received from financial institutions based on the August 2012 Scoping Study parameters

##### Mt Henry

- **Positive Scoping Study released in December 2012**
- Drill program commenced to provide geotechnical data and samples for metallurgical test work for the Bankable Feasibility Study

#### PGM

##### Thunder Bay North

- Drill program to test the “step-out” extension of the Beaver Lake-South East Anomaly zones completed
- Studies continuing to re-optimize the mining method and mineral processing route to reduce capital and operating costs

#### CORPORATE

- Cost savings and productivity initiatives implemented



## Managing Director's Commentary

- **Safety and Environment** – one lost time injury in the quarter.
- **Liquid Assets** – cash and receivables totalled \$66 million at the end of the quarter. The steady delivery of nickel in concentrate/ore enabled our nickel operations to generate \$7 million in free cash flow, inclusive of working capital movements and Perth Office costs.

- **Nickel Division**

**Production** – total Group nickel in concentrate/ore was 4,367 tonnes, down 10% on the previous quarter due to the below budget production at Savannah offsetting the solid performance from Lanfranchi. Savannah is forecast to have a much improved second half and the Nickel Division is still expected to achieve the 18,000 to 19,000t Ni guidance for the full F2013 year.

**Costs** – aggregate direct costs at Savannah quarter on quarter were flat, however, the drop in nickel production against forecast due to production interruptions (localised ground failure, limited ventilation) pushed the unit cash costs up which impacted the Group's overall payable cash cost (A\$7.12/lb). Nickel production at Savannah has already returned to budgeted levels. The new ventilation system at Savannah, currently being commissioned, will give the mine greater flexibility with an increase in the number of production headings. At Lanfranchi, total site costs were down and payable cash costs were flat quarter on quarter due to the steady nickel production. Total site costs at both nickel operations are trending down and are forecast to fall further with the introduction of cost and productivity initiatives late last year.

- **Gold Division**

**Gidgee** – following on from the October 2012 Resource upgrade at Howards and Heron South, we have commenced a Bankable Feasibility Study (BFS), which is due for completion in the September 2013 quarter. As part of the BFS, we have commenced a significant drill program to give further confidence in the Gidgee Resource base and to gather geotechnical and metallurgical information for mine planning, plant design and flow sheet optimisation. In order to fast track Gidgee to production, we commenced preliminary discussions with a number of debt providers and have received very positive indicative term sheets indicating that the Project can be predominately debt financed.

**Mt Henry** – a Scoping Study was released in December 2012, being the first step towards the completion of a BFS on the project. A 10,000m drill program has commenced to infill the Inferred areas of the Mt Henry Resource and to provide the geotechnical data and samples for metallurgical testwork to complete the BFS.

- **PGM Division** – exploration activities continued at the Thunder Bay North Project with the completion of the 15 hole “step-out” drill program. Assay results confirm the down-plunge extension of mineralisation. We are encouraged by the drilling as it opens up the prospectivity down-plunge to locate the feeder zone to the Current Lake Intrusive Complex.
- **Exploration** – exploration activities continued on several fronts in Australia and overseas, with some outstanding results at our nickel operations, including:
  - Savannah Deeps – 18.36m @ 2.44% Ni, 1.10% Cu, 0.15% Co confirming the continuation of “Savannah Style” massive sulphide mineralisation below the 900 Fault;
  - Jury-Metcalf – 18.65m @ 2.74% Ni, 0.19% Cu; and
  - Deacon – 42.69m @ 3.41% Ni, 0.22% Cu and 55.54m @ 3.32% Ni, 0.25% Cu.
- **Cost Saving Initiatives** – the focus on cost reduction remains a high priority given the cost pressures facing the business together with the strong A\$ and the volatility in overseas markets impacting on global commodity prices, especially nickel. Several cost saving initiatives have now been implemented, including:
  - a 5% reduction in our total workforce (more heavily weighted at the corporate level);
  - downward adjustment of salaries; and
  - a request for cost/pricing reduction assistance from all our suppliers, consultants, contractors and other service providers.

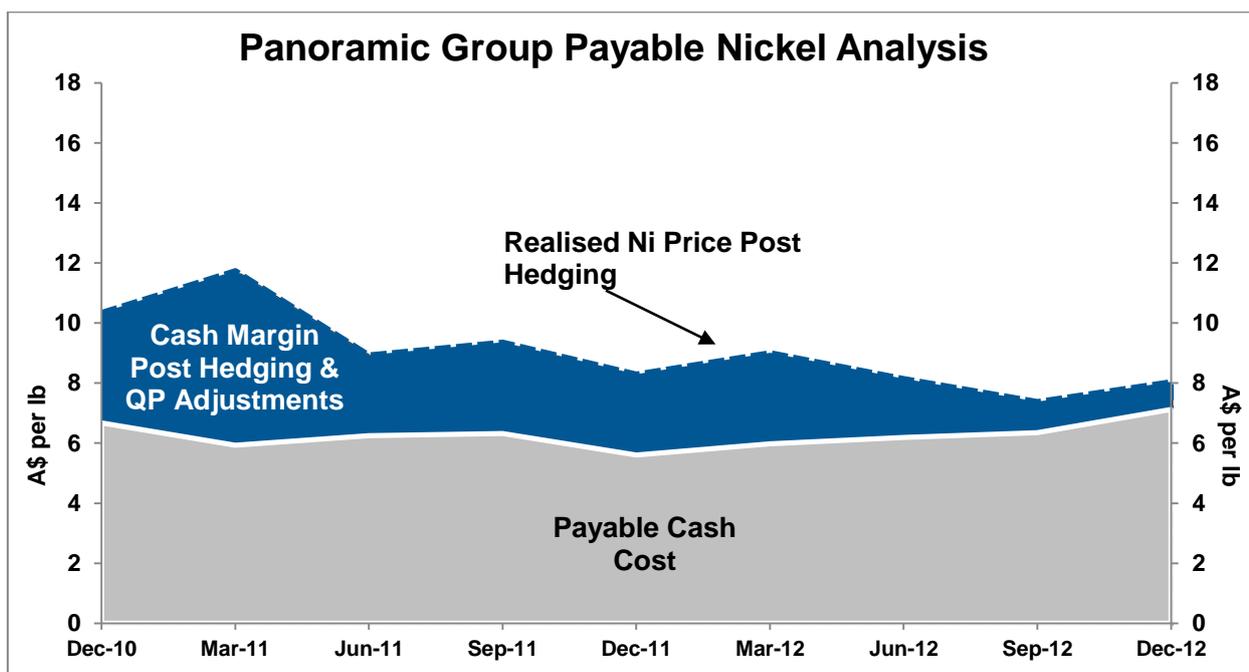
The decision to reduce our workforce by 5% and to adjust salaries was not easy however, it was necessary to ensure that our nickel operations generate sufficient positive cash flow at the current low A\$ nickel price. Our target remains to reduce our Group cost base by \$10-15 million on an annual basis.



## 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 2010 quarter, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period pricing adjustments). Note the margin has been reduced mainly due to the below budget production from Savannah for the December 2012 quarter.

**Figure 1 - Cash Margin & Payable Costs**



**Table 1: Group Nickel Production & Unit Costs**

	Units	Savannah 3mths ending 31 Dec 2012	Lanfranchi 3mths ending 31 Dec 2012	Total Group 3mths ending 31 Dec 2012	Total Group Previous Qtr Sep 2012
Ore Mined	dmt	154,908	128,675	283,583	310,826
Average Mined Nickel Grade	%	1.11	2.24	1.62	1.67
Nickel in Ore Mined	dmt	1,723	2,876	4,599	5,190
Nickel in Concentrate/Ore	tonnes	1,491	2,876	4,367	4,869
Copper in Concentrate/Ore	tonnes	946	246	1,192	1,418
Cobalt in Concentrate/Ore	tonnes	84	-	84	95
<b>Costs Per Pound Payable Nickel</b>					
Mining	A\$ per lb	4.18	3.98	4.01	3.65
Milling	A\$ per lb	2.43	-	0.92	0.85
Administration <sup>(a)</sup>	A\$ per lb	2.25	0.77	1.33	1.26
<b>Payable Operating Cash Costs (Mine Gate)</b>	<b>A\$ per lb</b>	<b>8.86</b>	<b>4.75</b>	<b>6.26</b>	<b>5.76</b>
Haulage	A\$ per lb	0.40	0.29	0.33	0.29
Port Charges/Shipping	A\$ per lb	0.37	-	0.14	0.14
Ore Treatment	A\$ per lb	-	1.44	0.90	0.74
Net By-product Credits	A\$ per lb	(2.03)	(0.20)	(0.89)	(0.94)
Royalties	A\$ per lb	0.50	0.31	0.38	0.36
<b>Total Payable Operating Cash Costs<sup>(a)</sup></b>	<b>A\$ per lb</b>	<b>8.10</b>	<b>6.59</b>	<b>7.12</b>	<b>6.35</b>
<b>Total Payable Operating Cash Costs<sup>(b)</sup></b>	<b>US\$ per lb</b>	<b>8.41</b>	<b>6.84</b>	<b>7.39</b>	<b>6.59</b>

(a) Group capital development cash cost for the quarter was A\$0.81/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.

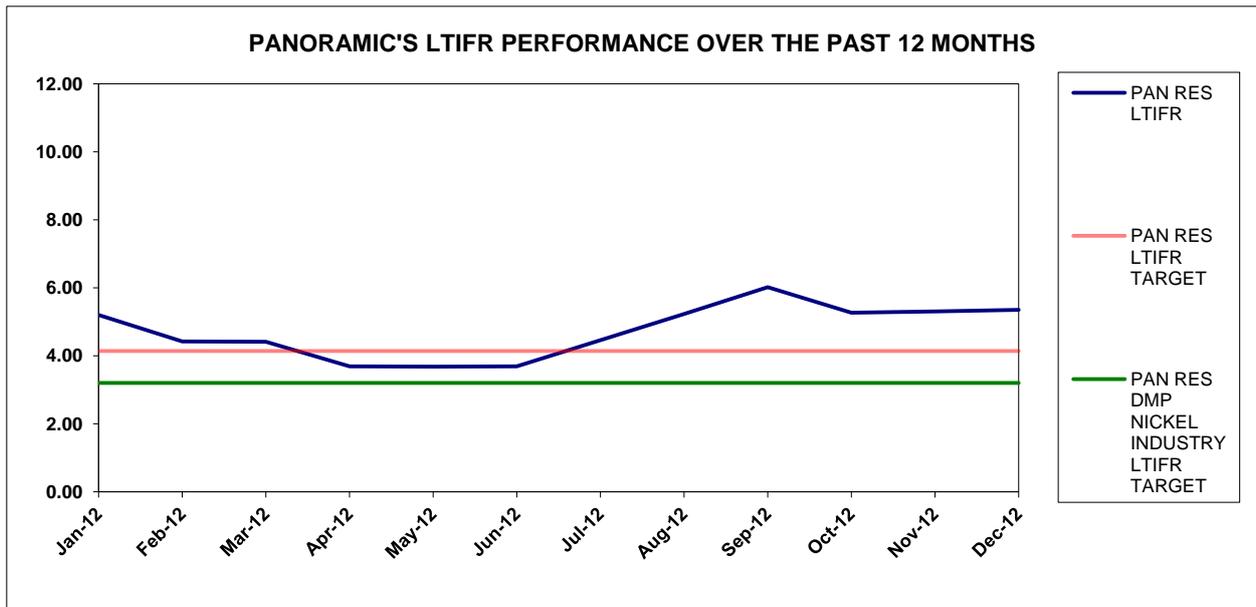
(b) Average December 2012 quarter RBA US\$/A\$ settlement rate of US\$1.0387 (Average September 2012 quarter exchange rate was US\$1.0385).



## Safety

The 12 month moving average Group LTI Frequency Rate (LTIFR) increased slightly to 5.35 from 5.26 and is still above the Group's internal target of 4.14. One lost time injury (LTI) was recorded during the quarter; a mill operator sustained a lower back strain after bending forward for a prolonged period while cleaning grid mesh. The majority of injuries continue to be soft tissue injuries (sprains and strains) to the back and shoulders 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:

- Significant reduction in incidences of property damage across the sites;
- Continued integration of field leadership training across the business, and
- Roll-out of the revised Incident Management System and Confined Space Management system.

## Environment

Approval was received in November for a further 6m lift of the existing tailings storage facility wall at Savannah.

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

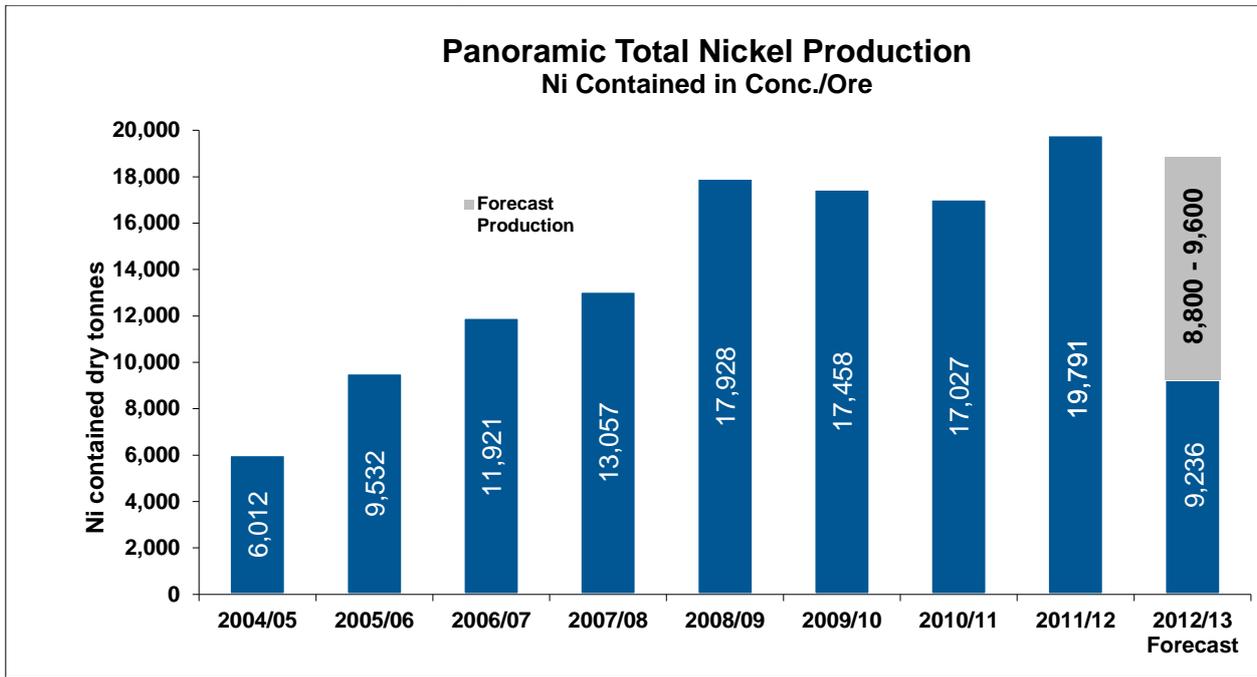
## Nickel Division Production – Actual & Forecast

The nickel division produced 4,367 tonnes Ni contained in concentrate/ore, which was below the production budget.

The Nickel Division **forecast production guidance remains 18,000 to 19,000 tonnes Ni contained in concentrate/ore for FY2013** (refer Figure 3).



Figure 3 – Actual Nickel Production



Notes

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

## Nickel - Savannah Project

### General

The Savannah Project had a challenging quarter, due to a combination of the following factors:

- lower than budgeted nickel head grade;
- localised poor ground conditions on the 1890 level;
- a crown failure in the 1715\_6040 stope; and
- limited underground ventilation capacity prior to the commissioning of the new ventilation system (*refer to Savannah Capital Projects section*).

Production levels were back on budget by the end of the quarter and a preliminary revised mine schedule for the balance of the year confirms production remains within the previous guidance for FY2013.

Ore milled was 18% lower than the previous quarter at 155,615 tonnes and 13% below budget. The nickel head grade averaged 1.11% for the quarter which was significantly lower than budget. The lower than budgeted nickel head grade resulted from a combination of dilution due to the production issues as outlined above and some stopes having lower grades than forecast in the Resource model (subject to final reconciliation). On the positive side, average mill recoveries have steadily improved since mid-2012 following the implementation of a number of process optimisation projects, including flow-sheet revisions and modified operating conditions.

Having sufficient concentrate on-hand at the beginning of the quarter enabled three concentrate shipments, totalling 1,672t of nickel in concentrate, to be exported through the Port of Wyndham.



**Table 2 – Savannah Project Operating Statistics**

Area	Details	Units	3 mths ending 31 Dec 2012	3 mths ending 30 Sep 2012	2012/13 YTD	2011/12 Full Year
<b>Mining</b>	Ore mined	dmt	<b>154,908</b>	187,734	342,642	657,814
	Ni grade	%	<b>1.11</b>	1.21	1.16	1.53
	Ni metal contained	dmt	<b>1,723</b>	2,264	3,987	10,077
	Cu grade	%	<b>0.64</b>	0.64	0.64	0.79
	Co grade	%	<b>0.06</b>	0.06	0.06	0.08
<b>Milling</b>	Ore milled	dmt	<b>155,615</b>	188,913	344,528	661,979
	Ni grade	%	<b>1.11</b>	1.21	1.16	1.52
	Cu grade	%	<b>0.64</b>	0.64	0.64	0.79
	Co grade	%	<b>0.06</b>	0.06	0.06	0.08
	Ni Recovery	%	<b>86.3</b>	85.1	85.9	85.6
	Cu Recovery	%	<b>95.6</b>	95.2	95.4	95.6
	Co Recovery	%	<b>89.5</b>	87.1	88.2	89.8
<b>Concentrate Production</b>	Concentrate	dmt	<b>18,990</b>	24,875	43,865	114,628
	Ni grade	%	<b>7.85</b>	7.81	7.83	7.53
	Ni metal contained	dmt	<b>1,491</b>	1,943	3,434	8,633
	Cu grade	%	<b>4.98</b>	4.66	4.80	4.35
	Cu metal contained	dmt	<b>946</b>	1,160	2,106	4,987
	Co grade	%	<b>0.44</b>	0.38	0.41	0.41
	Co metal contained	dmt	<b>84</b>	95	179	475
<b>Concentrate Shipments</b>	Concentrate	dmt	<b>21,825</b>	21,999	43,824	115,386
	Ni grade	%	<b>7.66</b>	7.62	7.64	7.47
	Ni metal contained	dmt	<b>1,672</b>	1,675	3,347	8,616
	Cu grade	%	<b>4.27</b>	4.79	4.53	4.33
	Cu metal contained	dmt	<b>933</b>	1,054	1,987	4,995
	Co grade	%	<b>0.42</b>	0.38	0.40	0.41
	Co metal contained	dmt	<b>92</b>	84	176	470

## Capital Projects

*Ventilation Shaft and associated infrastructure* – reaming of the upper raise bore leg of the shaft (total length 380m) was successfully completed. The upper section of the shaft has been shotcrete lined and the surface fan installed (*see Photo 1*). The ventilation shaft and new fan installation is now complete and commissioning is underway. The new ventilation system will have a significant positive impact on the operation of the mine.

*Tailings Storage Facility Wall Lift (Stage 2)* – approval was received in November from the WA Department of Mines and Petroleum (DMP) for a 6m lift on the wall of the existing tailings storage facility (TSF). The lift construction will commence in the June 2013 quarter, and will be carried out over a number of stages to match future storage requirements.



## Costs

Total site costs for the quarter of \$24.6 million, including operating and capital, were in line with budget and steady compared to the previous quarter (\$24.4 million). Since aggregate costs were flat, the higher than forecast nickel payable cash costs for the quarter were a function of the lower than budgeted nickel production. **Importantly, total site costs have been trending down since the December 2011 quarter** as shown in Figure 4.

**Figure 4 – Savannah Total Site Costs**

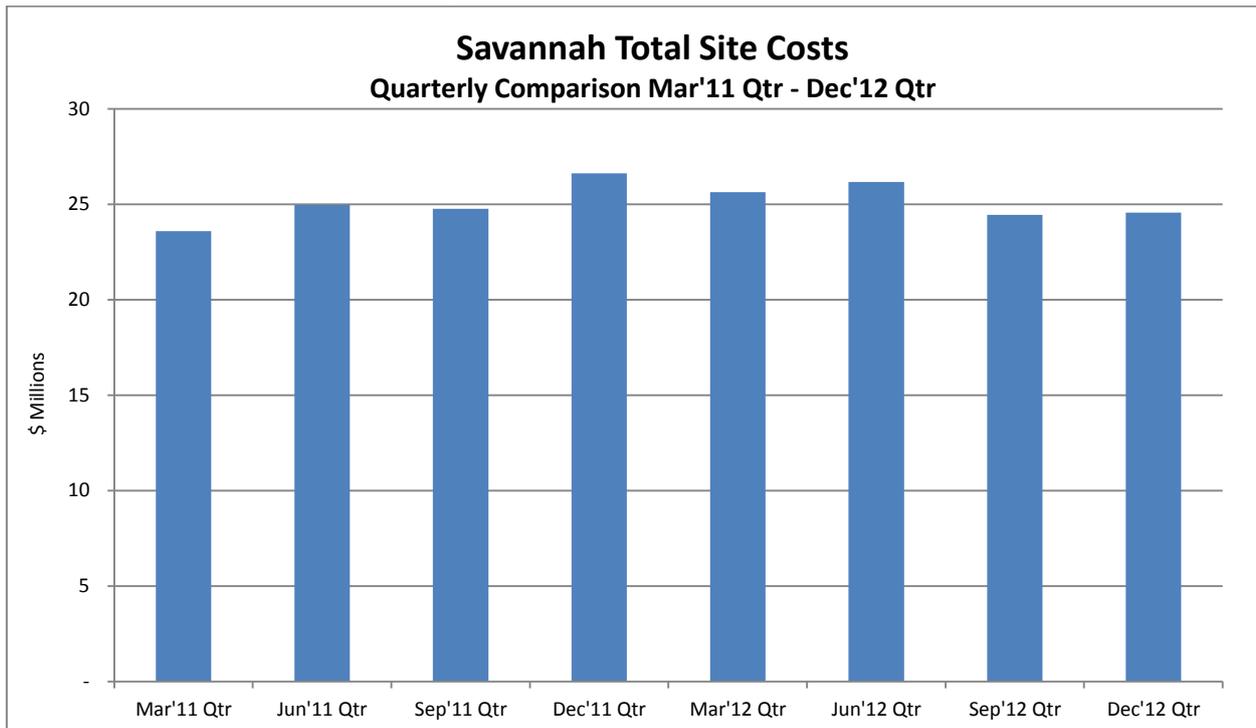


Photo 1: Savannah surface fan and associated infrastructure



## Nickel - Lanfranchi Project

### General

The Lanfranchi Project produced 128,675t of ore at 2.24% Ni for 2,876t Ni contained. Ore tonnes mined were up 5% and although the average mined nickel grade was 6% lower, the contained nickel in ore was only down 2% compared to the previous quarter. As a result of the steady production level, payable cash costs were flat and in line with budget.

A number of productivity and cost saving initiatives were introduced during the quarter, including the optimisation of the Deacon and Schmitz mine schedules and a subsequent reduction in personnel and underground mobile equipment on hire. These, and other cost saving initiatives, are forecast to lower total site costs at Lanfranchi.

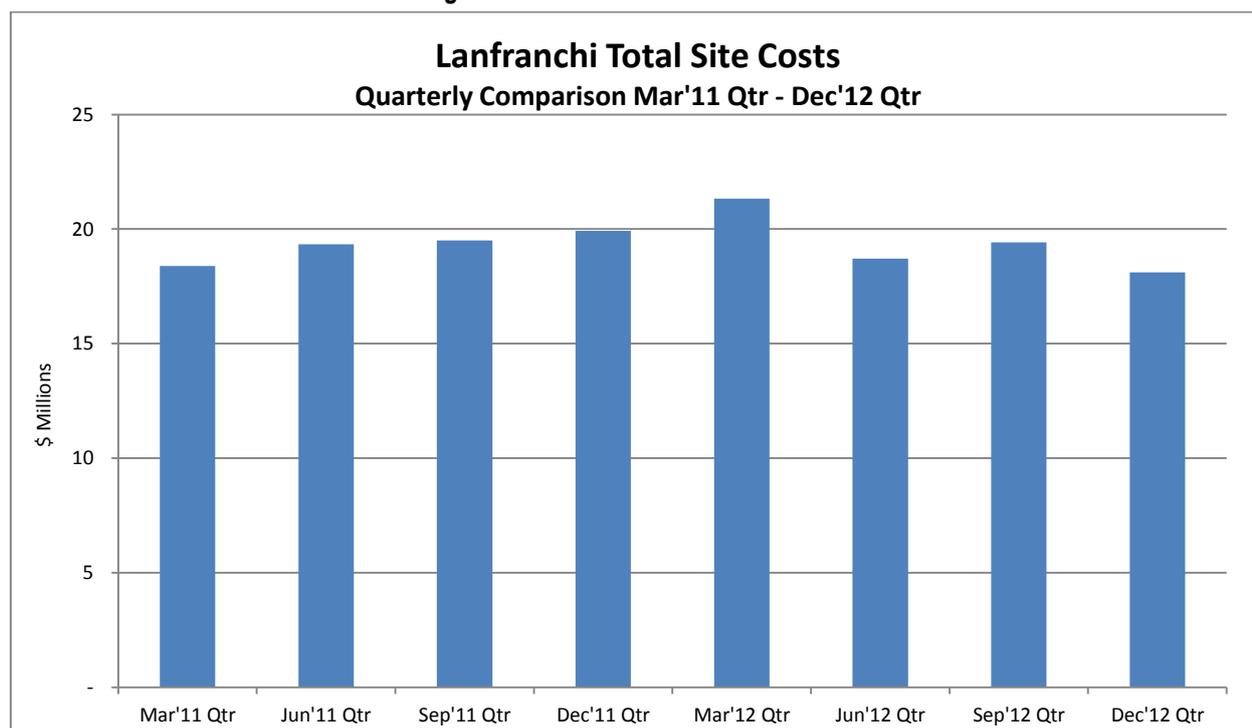
**Table 3 – Lanfranchi Project Operating Statistics**

Area	Details	Units	3mths ending 31 Dec 2012	3mths ending 30 Sep 2012	2012/13 YTD	2011/12 Full Year
<b>Mining</b>	Ore mined	dmt	<b>128,675</b>	123,092	251,767	464,188
	Ni grade	%	<b>2.24</b>	2.38	2.30	2.40
	Ni metal contained	dmt	<b>2,876</b>	2,926	5,802	11,158
	Cu grade	%	<b>0.19</b>	0.21	0.20	0.21
<b>Ore Delivered</b>	Ore delivered	dmt	<b>123,088</b>	124,869	247,957	464,623
	Ni grade	%	<b>2.21</b>	2.39	2.30	2.41
	Ni metal contained	dmt	<b>2,717</b>	2,984	5,701	11,204
	Cu grade	%	<b>0.19</b>	0.21	0.20	0.21

### Costs

Total site costs for the quarter of \$18.1 million, including operating and capital, were better than budget and below the previous quarter (\$19.4 million). **Importantly, total site costs have been trending down since the March 2012 quarter as shown in Figure 5.**

**Figure 5 – Lanfranchi Total Site Costs**





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

### Copernicus Open Pit

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

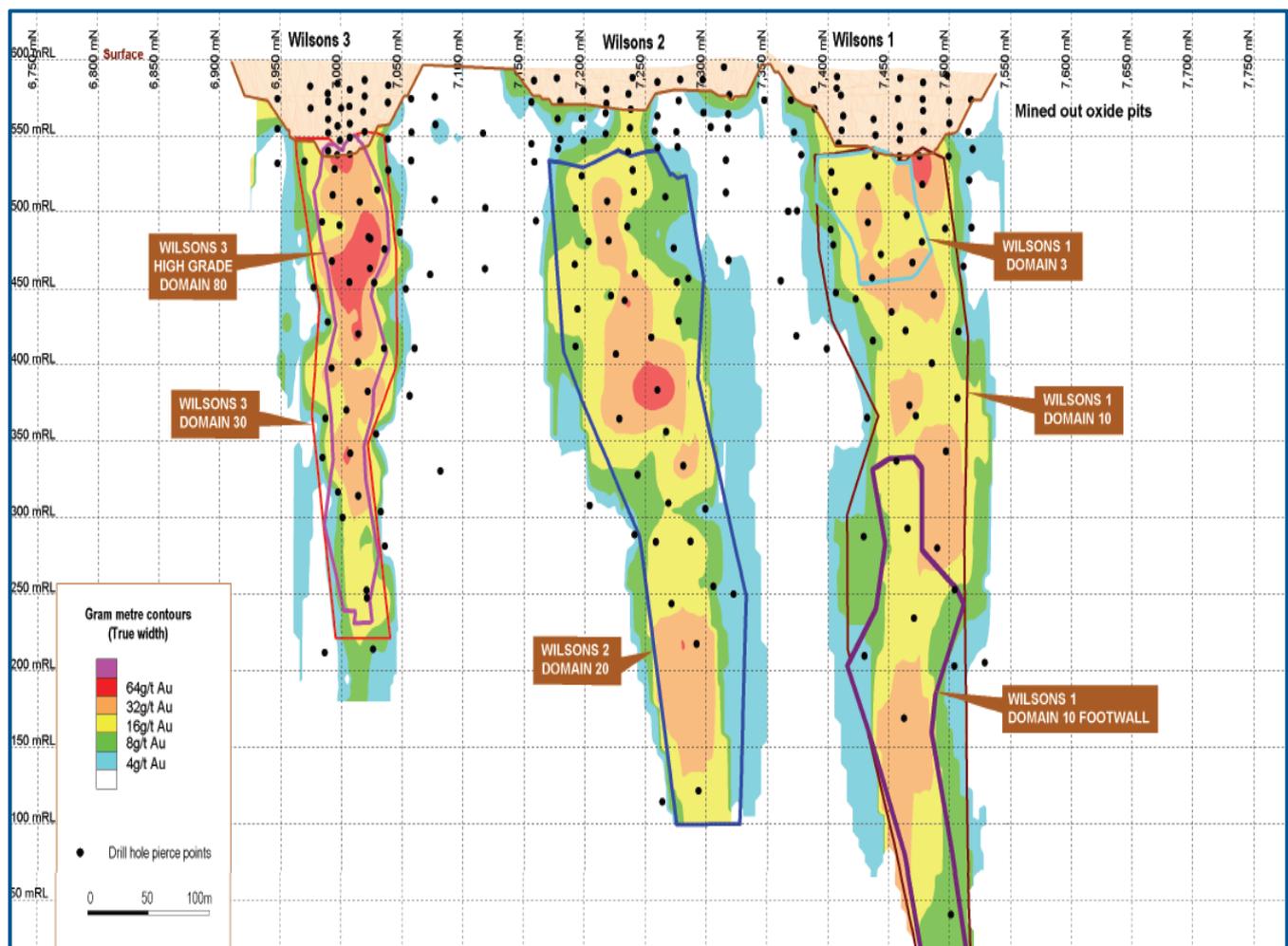
## Gold - Gidgee Project

### 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 existing Gidgee infrastructure (old 600,000tpa processing plant) and has a Resource of 325,400oz Au contained within three separate west-dipping shoots, which dip at 45 to 52 degrees, on a sheared sediment-dolerite contact (refer Figure 6). Wilsons, when combined with the new resource upgrades at Heron South and Howards **increases the total combined Gidgee Resource base to 1.2Moz Au** (see Appendix 1).

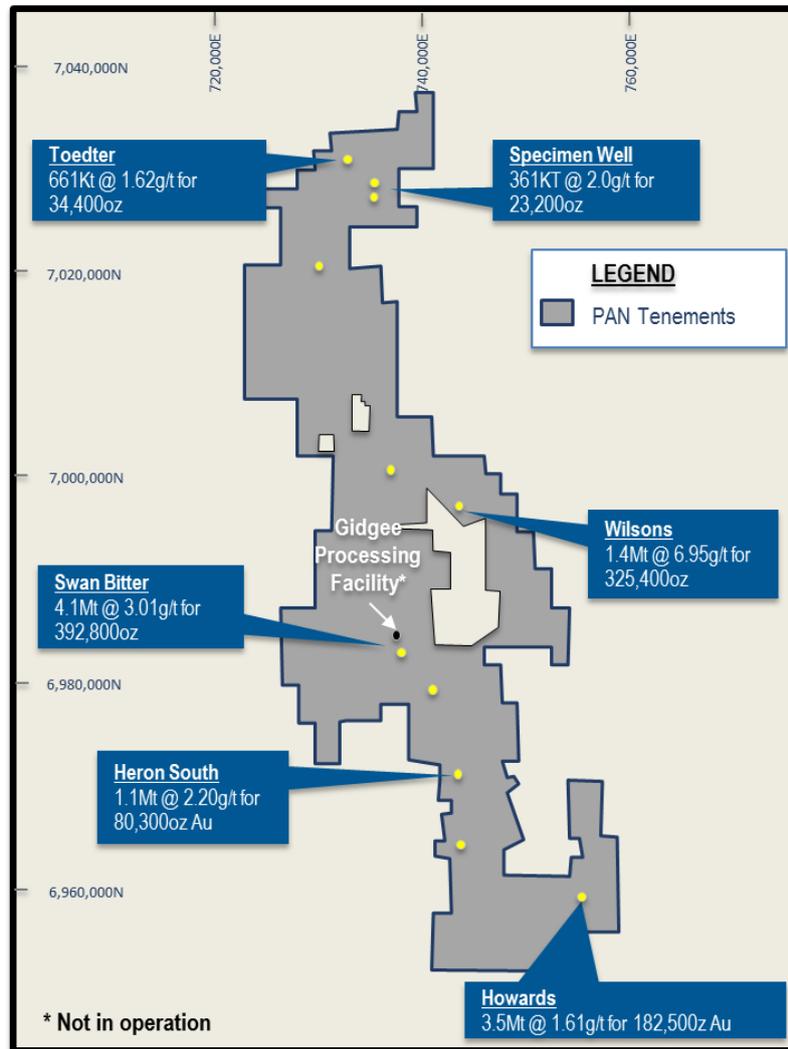
**Figure 6 – Wilsons Orebodies**





The Gidgee resources that are being considered for the Bankable Feasibility Study are shown in Figure 7.

**Figure 7: Gidgee Tenement area highlighting the orebodies being considered for the BFS**



## Exploration and Near Term Production Strategy

### **Bankable Feasibility Study Drilling**

The Gidgee Gold Project Scoping Study was completed in August 2012 (refer ASX announcement 7 August 2012). The positive results of the Scoping Study and the upgrade of the Howards and Heron South Resources in October 2012 (refer ASX announcement 17 October 2012) have led the Company to commence a Bankable Feasibility Study (BFS), which is targeted for completion during the September 2013 quarter. As part of the Gidgee BFS, the Company has commenced a significant drill program (~26,000 drill metres). The targeted outcomes of this program are:

- to upgrade Inferred Resources to Indicated Resource Category to improve confidence on the BFS Resource base;
- to gather geotechnical and metallurgical information for mine planning, plant design and flowsheet optimisation; and
- ground water investigations.

The drill program is via a combination of reverse circulation and diamond drilling, initially allocated in the following project areas:

- Wilsons - Resource infill drilling (~19,000m planned); and
- Swan Bitter, Swift and Howards - Resource infill and geotechnical drilling (~7,000m planned).

### **Regional Exploration**

Regional exploration activities are on hold with the focus now on the BFS drill program.



### *Near Term Production Strategy*

Over the course of 2013, the Company intends to concurrently run several work streams in conjunction with the BFS drill program, with the aim to complete the Gidgee Project BFS in the September 2013 quarter. These work streams include:

- *Resource Modelling* – upgrade the Resource categories as the first step in the conversion of Project Resources to mineable Project Reserves;
- *Mine Planning* – using the geotechnical data from the BFS drilling, optimise open pit and underground mine designs and the scheduling of the resource areas to maximise project economics;
- *Plant Design and Flow Sheet optimisation* – evaluate and compare different plant designs and flow sheets to maximise metallurgical recovery at optimal capital and operating cost;
- *Project BFS Modelling* – consolidating outputs from the technical work streams in order to construct a robust Gidgee project BFS model; and
- *Project Financing* – in November 2012, the Company sought indicative financing terms from several debt providers based on the August 2012 Scoping Study and the updated Gidgee Resource base. The Company was very encouraged by the interest shown from all the financial institutions to finance the development of the Gidgee Project. Indicative terms received indicate that the Project can support debt levels in the order of \$80 to \$115 million. The Company will progress the financing options for the Project during the first half of 2013.

## 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 8*). The tenements contain a combined Resource 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 2.18Mozs** (*refer Appendix 2*). Scoping Studies have been undertaken on the Mt Henry, Selene and North Scotia resources by previous owners and indicate robust economic results at current gold prices (*also refer to Kalgoorlie-Boulder Resources (ASX:KAL) ASX announcement dated 17 April 2008*).

In December 2012, Panoramic released the results of an internal Mt Henry Scoping Study (*refer to ASX release dated 18 December 2012*). The major conclusions from the Scoping Study were:

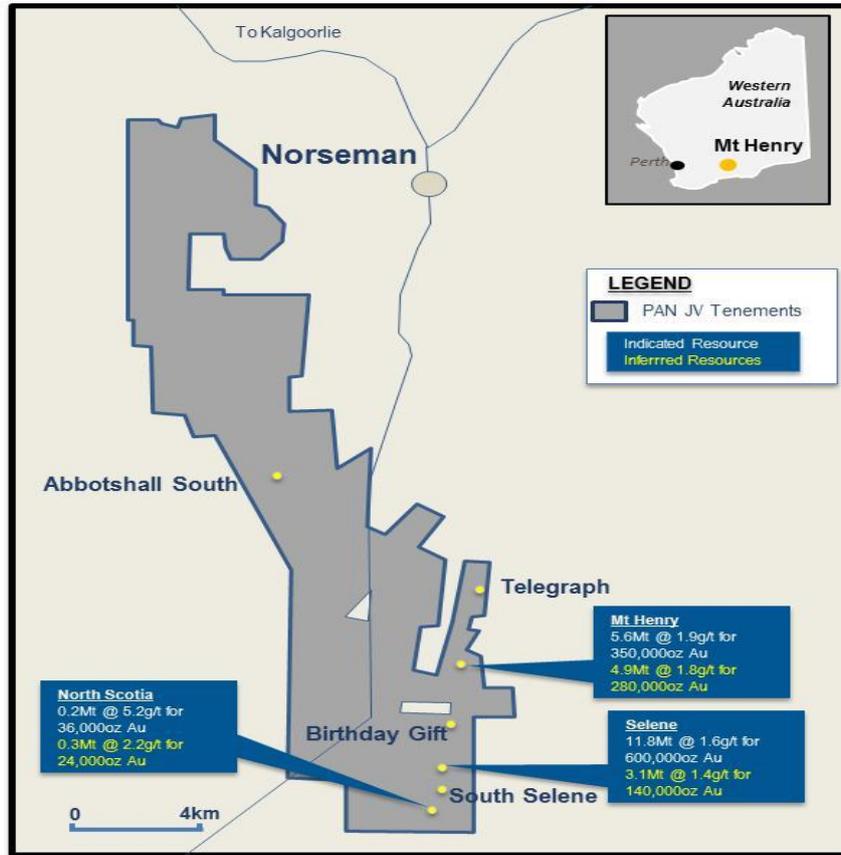
- Annual production – averaging **116,000oz Au**;
- Initial project life – **7.25 years**, aggregate production of **840,000oz Au**;
- Average operating costs – approximately **A\$930/oz Au**;
- Capital costs – estimated initial capital of approximately **A\$195M** (including contingency); and
- Robust project economics – cumulative pre-tax free cash flow of **A\$215M** for the Base Case (A\$1,500/oz), **A\$425M** for Spot Case (A\$1,750/oz), and **\$635M** for the Alternative Case (A\$2,000/oz).

The positive outcome of the Mt Henry Scoping Study is the first step towards the completion of a BFS on the project. The next step in the project development is a ~10,000m drill program which commenced in December 2012. This drill program is designed to provide the necessary geotechnical data and metallurgical test work material to complete the BFS and to infill the Inferred areas of the Mt Henry Resources allowing these areas to be reclassified to an Indicated Resource category. The majority of the drilling (~7,000m) will be on the Mt Henry lode with the balance on the Selene and North Scotia deposits.

By the end quarter, five geotechnical drill holes had been completed. The drill program is expected to be completed in the June 2013 quarter.



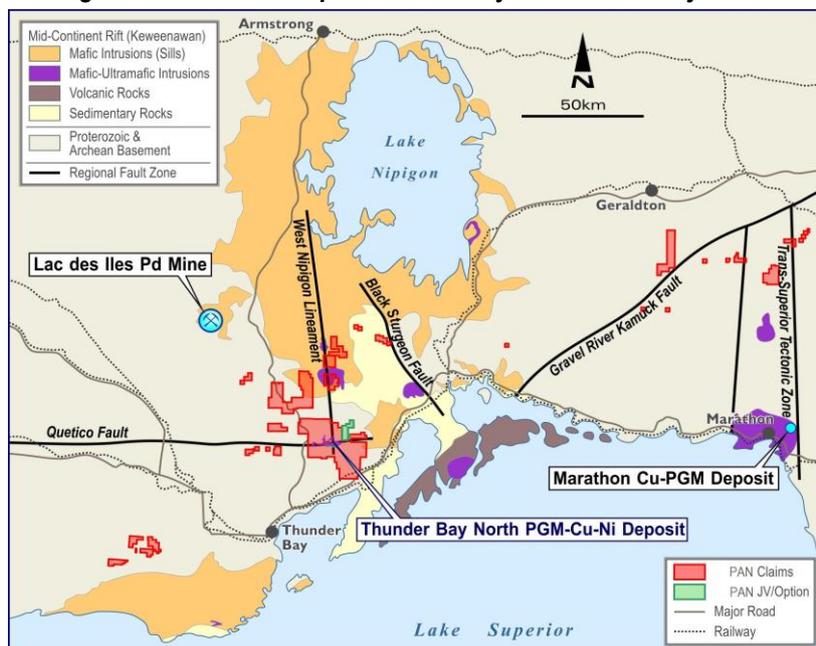
**Figure 8 – Location Map – Mt Henry Gold Project**



## PGM – Thunder Bay North Project

The Thunder Bay North (TBN) Project is located near Thunder Bay in northwest Ontario, Canada. The advanced exploration project claims cover an aggregate area of 40,816 hectares (refer Figure 9). In February 2011, the previous owner released a Preliminary Economic Assessment (PEA) on the Thunder Bay North Project.

**Figure 9 – Location Map – Thunder Bay North PGM Project**



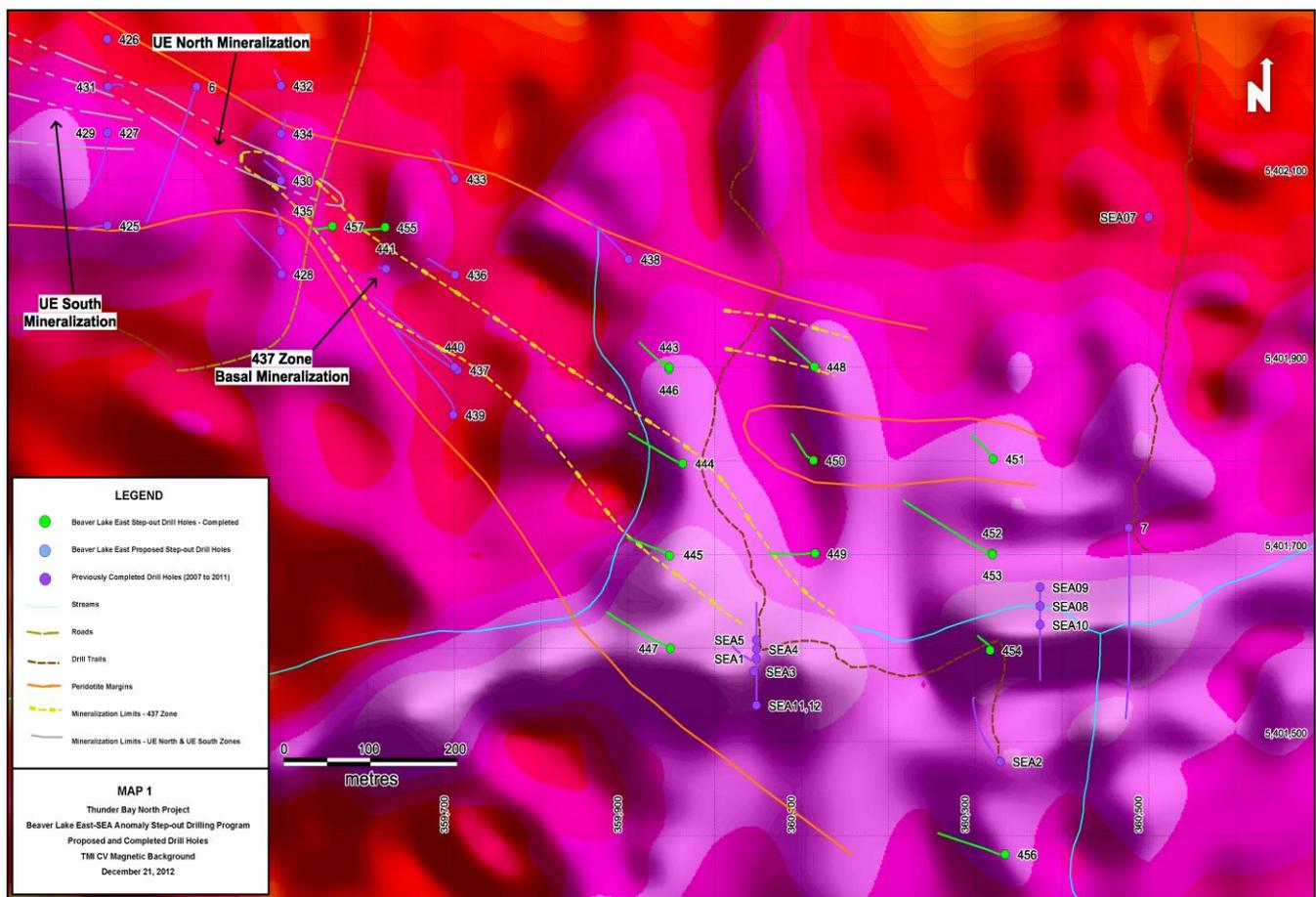


The TBN Project Resource is hosted within the Current Lake Intrusive Complex (CLIC), which is subdivided progressively down-plunge from the Current Lake zone to the Bridge, Beaver Lake and South East Anomaly (SEA) zones.

In July 2012, Panoramic commenced a full review of the TBN Project Resources and of all technical information in the PEA. Exploration activities are continuing from the Thunder Bay exploration office and evaluation studies are underway to optimise the PEA. These studies include reviewing and re-optimising the mining method and the mineral processing flowsheet with the aim of reducing the estimated capital and operating costs in the PEA. Work has also continued on environmental and permitting work.

Exploration activities undertaken during the quarter included the 2012 Beaver Lake - SEA “step-out” diamond drill program (refer Figure 10). The program, which began in August was completed in December and comprised 15 holes (BL12-443 to 457) totalling 12,220 drill metres. Two drill holes (BL12-443 and 452) comprising 585 drill metres were abandoned due to deviation issues and were re-drilled as BL12-446 and BL12-453. The assay results for the program are summarised in Appendix 1. The program was primarily designed to explore and define the down-plunge extent of the CLIC between the 437 Zone and drill hole SEA08-02 which intersected 66.1m of weakly mineralised peridotite in 2008. As part of the program, two holes were also drilled into the 437 Zone north of drill hole BL11-441.

**Figure 10 – Location Plan - 2012 Beaver Lake-SEA Step Out Drill Program**



Data from the 2012 program, including down-hole electromagnetic (DHTEM) survey data is being evaluated. The drilling demonstrates that the CLIC has a strike length in excess of 4.6km and remains open at depth to the east and south. The drilling also indicates the geometry of the CLIC is possibly changing into a feeder zone setting towards the south. The basal mafic-ultramafic portion of the CLIC which hosts the TBN Project Resource to the west was intersected in most holes. In the more northerly located holes, this basal unit was generally thin, but still contained anomalous to thin intervals of low-grade PGM mineralisation. In the more southerly located holes (especially the holes BL12-454 and 546) much thicker accumulations (up to 74.4m thick) of the basal unit were intersected. Panoramic is encouraged by the latest drilling as it opens up the prospectivity down-plunge to locate the feeder zone to the CLIC.

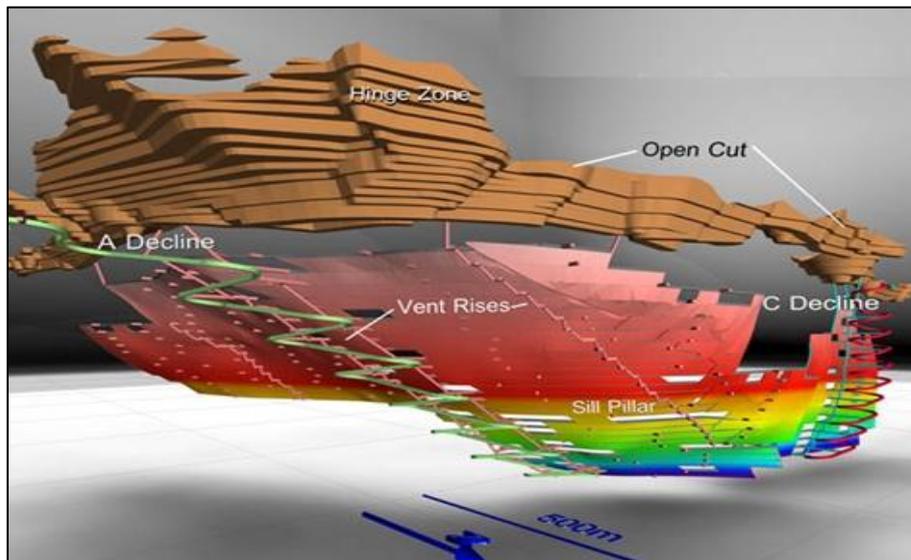


Photo 2: Drilling at the Thunder Bay North PGM Project, Northwest Ontario, Canada

## 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 (refer Appendix 2)** with exploration potential at depth and along strike.

**Figure 11 – Panton Project – Proposed Mine Development**



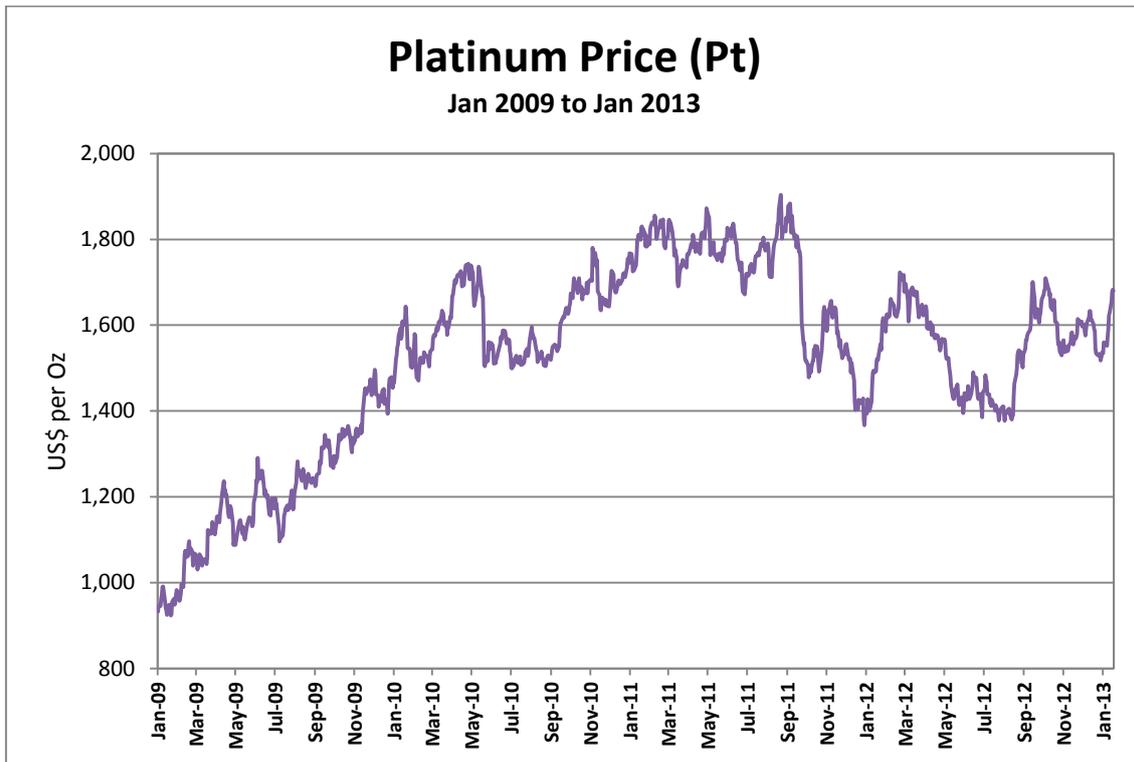
Panoramic considers the Panton Project to be a quality PGM development asset which fits within the Company's commodity diversification and growth strategy. In March 2012, the previous owner announced the results of a review of the 2003 Bankable Feasibility Study Review (2012 BFS Review). Panoramic is in the process of assessing the 2012 BFS Review. The primary aims of this assessment are to better understand the geology and to determine if additional mining and processing trials need to be undertaken.

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 which may result in improved economics for both projects (power, processing, logistics and personnel). No field activities were undertaken on the Panton Project during the quarter.

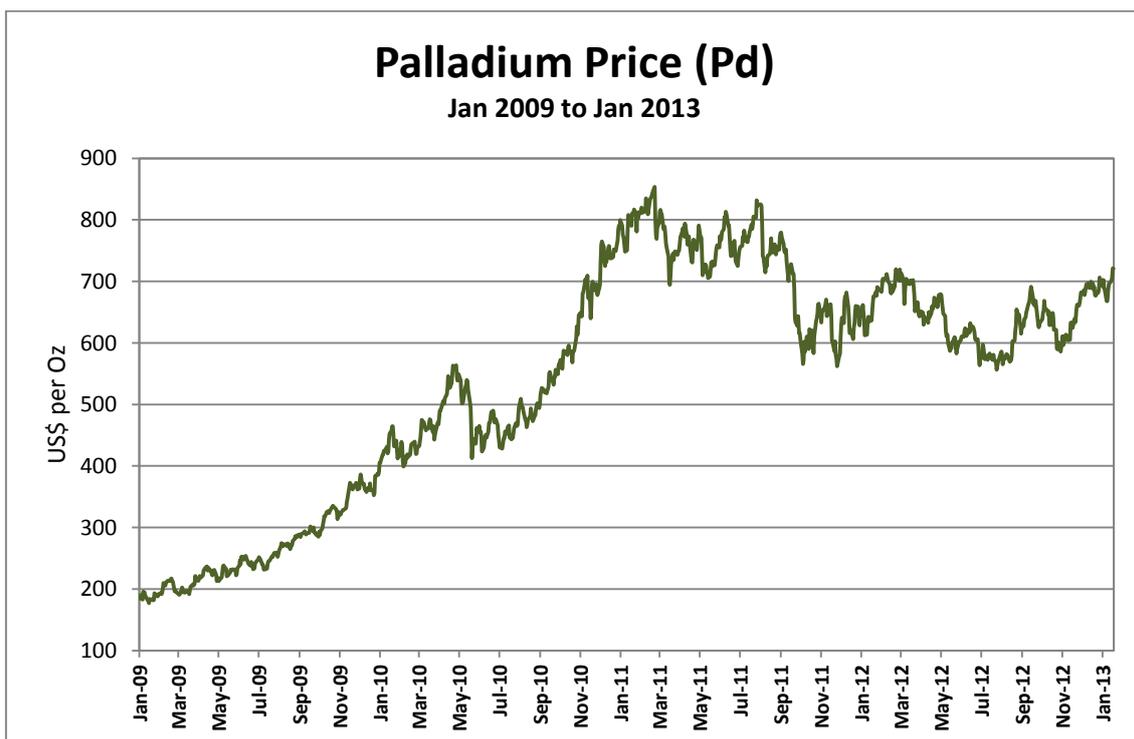


## PGM Market Commentary

Both the Platinum (Pt) and Palladium (Pd) prices have rallied strongly in recent weeks (see price charts). Several market commentators have revised upwards their long term forecast for both commodities based on improving fundamentals with perceived supply-side issues coupled with improving demand, suggesting the possibility of further tightening in supply/demand leading to higher prices in 2013 and beyond. Panoramic is well placed to leverage off stronger PGM prices with the Company's two PGM projects, Thunder Bay North and Panton, at the advanced study stage.



Source: Reuters



Source: Reuters



## Base Metal Exploration

### Savannah & East Kimberley Regional

#### *Savannah*

The drill program to explore for the continuation of the Savannah mineralisation below the 900 Fault structure continued during the quarter. An additional 14 holes (including wedged “daughter” holes) were completed for 7,395 drill metres, taking the total program to date to 30 holes, for 14,828 drill metres. The ~\$3 million program is nearing completion and one of the two drill rigs has been demobilised. The remaining drill rig is anticipated to finish the program in the March 2013 quarter.

Drilling has confirmed that the position of the Savannah Intrusion below the 900 Fault structure is offset further to the west than previously understood. As a result, drill holes had to be drilled deeper and on a broader pattern to establish the more prospective west and north–western margins of the intrusion below the 900 Fault. **Several solid intervals of “Savannah Style” massive sulphide mineralisation were intersected which, when combined with the extensive DHTEM responses detected in these and other holes, provides strong evidence of the continuation of the Savannah mineralising system below the 900 Fault structure.** The Company is confident it now has sufficient understanding of the position and geometry of the Savannah Intrusion below the 900 Fault to design and construct (when access is available) drill platforms deeper in the mine from which detailed stope definition/grade control drilling can be undertaken.

The latest drill results (*refer to Appendix 1*) include\*:

- 5.79m @ 1.73% Ni, 0.86% Cu, 0.12% Co and 2.95m @ 2.36% Ni, 0.26% Cu, 0.14% Co (KUD1261);
- 4.03m @ 1.73% Ni, 0.44% Cu, 0.10% Co (KUD1507);
- 1.93m @ 1.99% Ni, 0.21% Cu, 0.10% Co (KUD1507B);
- **8.15m @ 2.67% Ni, 1.00% Cu, 0.18% Co** (KUD1517A);
- **4.09m @ 2.44% Ni, 1.59% Cu, 0.13% Co** (KUD1518); and
- **18.36m @ 2.44% Ni, 1.10% Ni, 0.15% Co** (KUD1518A).

\* intervals are down-hole lengths, not true-width

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

No field activities were undertaken on the East Kimberley JV during the quarter.

### Lanfranchi

#### *Overview*

Activities at Lanfranchi focused on the extensional underground diamond drill programs. Work during the quarter included:

- the completion of the infill drill resource definition program below the Lanfranchi orebody and at the Deacon orebody; and
- the commencement of preliminary testing below the Schmitz orebody and the recently discovered Jury-Metcalf zone from the new Schmitz 4510 drill drive, with outstanding early results.

### Underground Exploration

#### *Lanfranchi Orebody Extension*

Drilling that commenced in March 2012 to explore and delineate down-plunge of the Lanfranchi orebody was completed during the quarter. A total of 18 holes (LAN298 to 300 and LAN304 to 317), comprising 2,824 drill metres were completed (*Figure 12*). Work has now begun on upgrading the Lanfranchi Resource model to include the latest drilling results. The new Lanfranchi Resource model is expected to be completed in the March 2013 quarter.

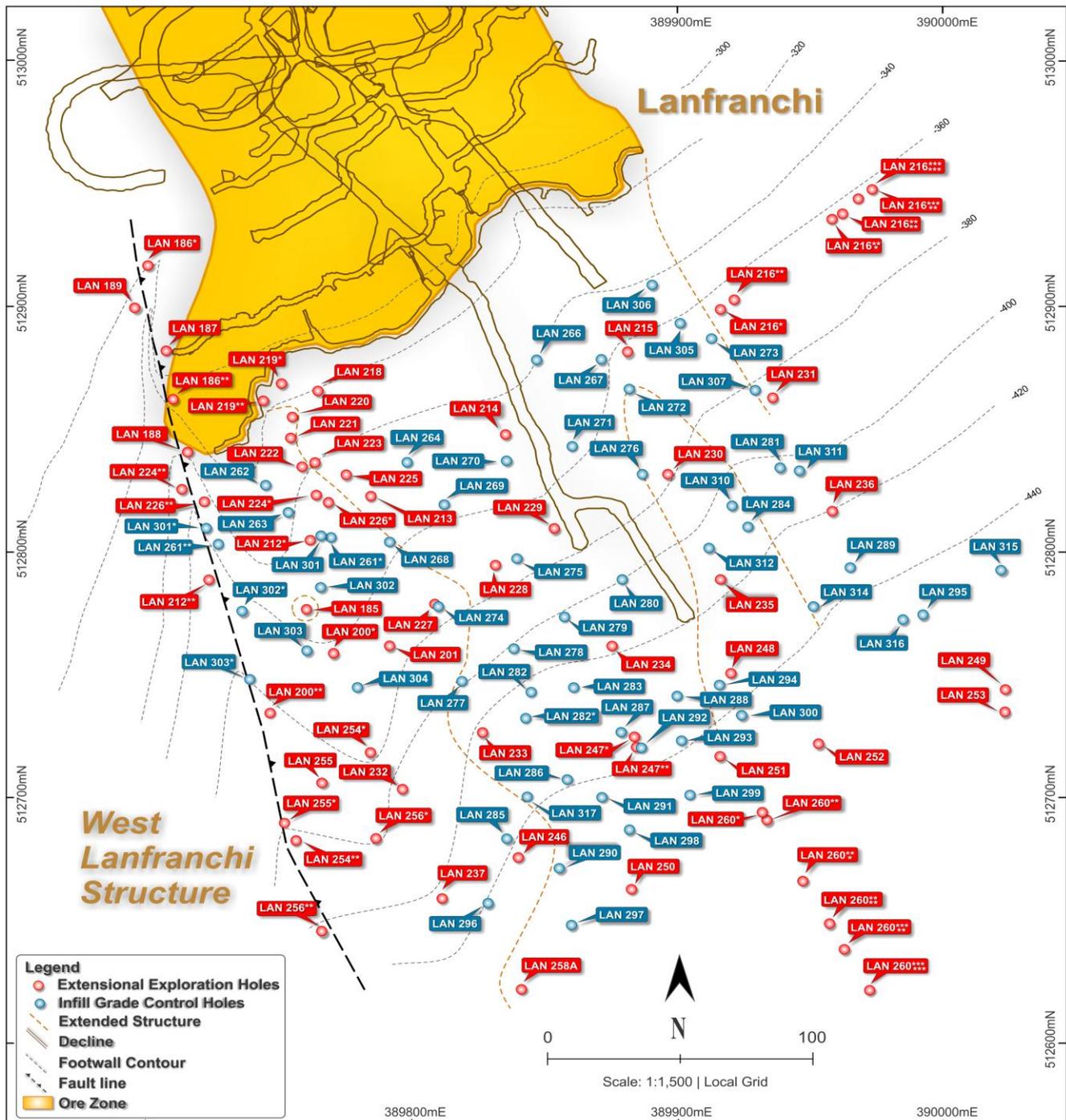


Assay results returned during the quarter (refer to Appendix 1) include\*:

- 4.37m @ 4.16% Ni, 0.26% Cu (LAN297);
- 1.64m @ 2.49% Ni, 0.12% Cu (LAN300);
- 2.51m @ 4.48% Ni, 0.20% Cu (LAN302);
- 5.27m @ 5.24% Ni, 0.20% Cu (LAN309); and
- 1.35m @ 4.82% Ni, 0.07% Cu and 1.07m @ 6.27% Ni, 0.27% Cu (LAN314).

\*intervals are down-hole lengths, not true-width. Also refer to the Company's March 2012, June 2012 and September 2012 Quarterly Reports for previous assay results

**Figure 12 – Lanfranchi Orebody Plan showing down-plunge drill hole locations**





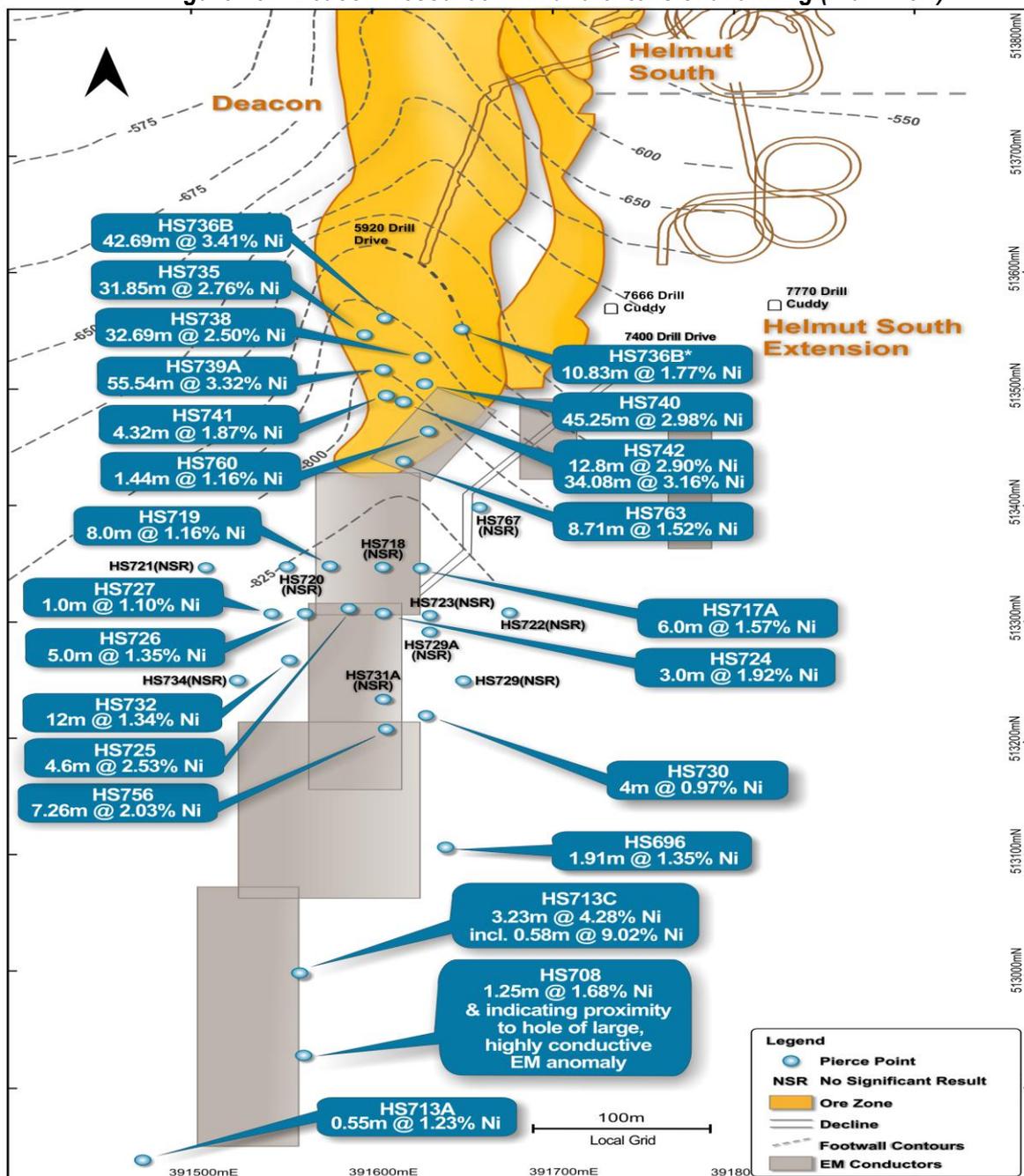
## Deacon

At the end of the previous quarter, the diamond drill operating in the Deacon 7400 drill drive was relocated to the Deacon 752 Access Drive to infill the lower portion of the Deacon orebody in order to convert this part of the resource from an Inferred to Indicated category. The program was completed during the quarter with nine holes (HS736B, 738 to 742 inclusive, HS760, 763 and 767) drilled for a total of 1,080 drill metres (*Figure 13*). Work to upgrade the lower portion of Deacon from an Inferred Resource to an Indicated Resource category has commenced and is due to be completed in the March 2013 quarter. The assay results of this latest infill drilling (also refer to *Appendix 1*) has returned some exceptional results, including\*:

- 42.69m @ 3.41% Ni, 0.22% Cu (HS736B);
- 32.69m @ 2.50% Ni, 0.18% Cu (HS738);
- 55.54m @ 3.32% Ni, 0.25% Cu (HS739A); and
- 34.08m @ 3.16% Ni, 0.25% Cu (HS742).

\* intervals are down-hole lengths, not true-width

**Figure 13 – Deacon Resource Infill and extensional drilling (Plan View)**





The drill testing of a series of DHTEM conductors located down-plunge of the Deacon Resource has been completed (refer Figure 13 and to the Company's September 2012 Quarterly Report for further details and previous assay results). The initial assay results from this drill testing together with the completed infill drill program provide further support for the down-plunge prospectivity of the Deacon channel.

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

The Schmitz 4510 hanging wall drill drive was completed during the quarter and diamond drilling commenced to further test the recently discovered Jury-Metcalf zone and as well as below the current base of the Schmitz orebody (Figure 14). A total of 27 holes, totalling 3,664 drill metres were completed from the 4510 Drill Drive during the quarter. **Initial drilling results at the new Jury-Metcalf zone have been outstanding** (refer to Appendix 1), including the following intercepts\*:

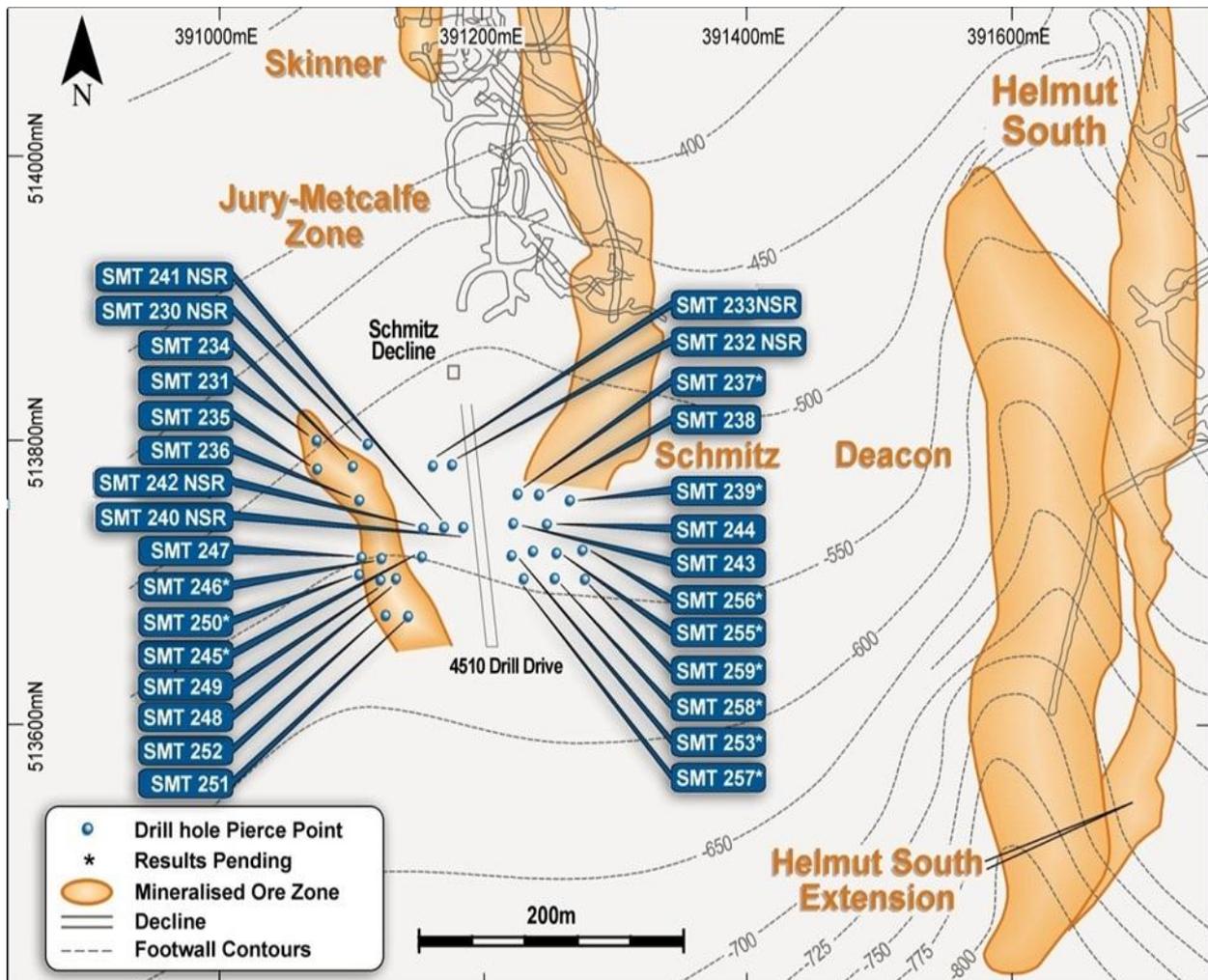
- 14.39m @ 1.57% Ni, 0.10% Cu (SMT231);
- 14.63m @ 2.65% Ni, 0.15% Cu (SMT235);
- **18.65m @ 2.74% Ni, 0.19% Cu (SMT236);**
- 9.00m @ 1.83% Ni, 0.12% Cu (SMT247);
- 8.04m @ 2.16% Ni, 0.12% Cu (SMT248);
- 14.44m @ 2.14% Ni, 0.14% Cu and 5.45m @ 2.05% Ni, 0.12% Cu (SMT249);
- **27.46m @ 2.74% Ni, 0.17% Cu (SMT251); and**
- 14.65m @ 2.35% Ni, 0.15% Cu (SMT252).

Drilling results below the Schmitz orebody have also been very positive. Assay results received to date are\*:

- 1.47m @ 3.49% Ni, 0.19% Cu (SMT238); and
- **1.02m @ 5.06% Ni, 0.29% Cu (SMT244).**

\* intervals are down-hole lengths, not true-width

**Figure 14 – Plan showing latest Jury-Metcalf and Schmitz drilling**





## *Surface Exploration*

No activity.

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

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

### *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 venture (JV) areas were initially formed to explore for Palaeoproterozoic volcanic massive sulphide (VMS) style Cu-Zn mineralisation in Finland. Panoramic also established three Joint Ventures with Drake to explore for copper-rich massive sulphide mineralisation in Norway. The three Norway JV's areas are Løkken, Sulitjelma and Hersjo. Following disappointing drill results, both the Finnish JVs were dissolved in the September 2012 quarter.

#### *Norway (Løkken, Sulitjelma and Hersjo joint ventures)*

Work on the Hersjo and Løkken joint ventures 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.

## Corporate

### *Liquid Assets & Debt*

Cash on hand at the end of the quarter was \$39 million plus receivables of \$27 million, for a total of \$66 million in current liquid assets. The operations, inclusive of Perth Office costs, generated \$7 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:

- \$2.5 million – Savannah Ventilation Project
- \$2.1 million – drilling at the Thunder Bay North PGM Project
- \$1.2 million – drilling at the Savannah Nickel Project (below the 900 Fault)
- \$0.7 million – exploration and feasibility activities at the Gidgee Gold Project
- \$0.2 million – exploration and feasibility activities at the Mt Henry Gold Project
- \$0.4 million – old Wyndham concentrate facility remediation
- \$0.8 million – Group personnel redundancies

In November 2012, the Company sold 11.5 million shares in Hot Chili Limited at a price of \$0.61 per share (before brokerage). This represented all of the Company's shareholding in Hot Chili, except for 1.61 million unlisted Hot Chili options (at an exercise price of \$0.75) that expire on 9 February 2013.

The Panoramic Group debt totalled \$11.6 million for finance leases on mobile equipment and insurance premium.

### *Cost Savings & Productivity Initiatives*

In reviewing costs year-on-year, the main increases at both the nickel operations were in labour, contractors, fuel and consumables. The recent announcements of various major resource project deferrals/cancellations and the general consensus that we are moving from a "development" to "production" phase of the commodity cycle, is expected to take some cost pressures off the resources sector. This easing would be welcomed by all resource companies. To remain competitive in our nickel business, the Company has implemented the following initiatives in order to reduce costs across the business by \$10-15 million on an annual basis:

- reduced the workforce by 5% across the nickel operations and Perth office, with annual cost savings of \$2.5 million;
- reduced the annual Group payroll by 5-10% for individuals;
- requesting cost/pricing reductions from all suppliers;
- reviewed and minimised the use of external consultants, contractors and heavy equipment on-hire; and
- reviewed the exploration budget to focus on resource extension and feasibility programs.

Identifying and maintaining a lower cost base and improving productivity is a high priority that is constantly being addressed.



## Hedging

The Company took advantage of a spike in the nickel price in October and 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 15% hedged for the remainder of FY2013 (comprising 1% nickel forwards and 14% nickel puts). At the current spot US\$ nickel price, the 750t 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 31 December 2012**

Commodity	Mark-to-Market 31 Dec 2012	Mark-to-Market 30 Sep 2012
Nickel Forwards	\$0.9 million	\$2.8 million
Bought Nickel Put Options	\$0.7 million	\$0.7 million
Sold Nickel Call Options	-	(\$0.1 million)
Bought Diesel Call Options	-	-
<b>Total Mark-to-Market</b>	<b>\$1.6 million</b>	<b>\$3.4 million</b>

**Table 5: Group Hedge Book – Delivery Profile as at 31 December 2012**

Commodity	Quantity 31 Dec 2012	Average Price/Rate 31 Dec 2012
<b><u>Nickel</u> - Nickel Forwards</b> (delivery to Jan 2013-Mar 2013)	75t	US\$26,485/t <b>US\$12.01/lb</b>
<b>Bought Nickel Put Options</b> (delivery Jan 2013-Jun 2013)	750t	US\$18,000/t <b>US\$8.16/lb</b>
<b>Sold Nickel Call Options</b> (delivery Jan 2012-Jun 2013)	750t	US\$24,800/t <b>US\$11.25/lb</b>
<b><u>Diesel</u> - Bought Diesel Call Options</b> (delivery Jan 2013-Mar 2013)	375,000litres/mth	US\$0.90/litre

## Investment in Listed Entities

As at 31 December 2012, the Company had investments in the following listed entities:

- Thundelarra Exploration Ltd (ASX:THX) – 2.2 million shares
- Liontown Resources Limited (ASX: LTR) – 2.8 million shares
- Hot Chili Limited (ASX:HCH) – 1.61 million unlisted options @ 75 cents, expiry 9 February 2013

The market value of these equity investments as at 31 December 2012 was approximately \$0.2 million.



## 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 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 PGM 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 2.07Moz Au. Panoramic released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee and released a positive Scoping Study on the Mt Henry Project in December 2012. Technical studies for the Mt Henry Bankable Feasibility Study have commenced. The Company has expanded into Platinum Group Metals (PGM) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley, which contains approximately 1.0Moz of Pt and 1.1Moz of Pd in Resource and the Thunder Bay North PGM Project in northern Ontario, Canada which contains approximately 0.4Moz Pt and 0.4Moz Pd.

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.

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

*Additional Competent Persons disclosures are given in Appendix 2.*



### Appendix 1– Drilling Assay Results Tables

#### (1) Lanfranchi Intercepts

Hole	East	North	RL	Dip	Azi	From	To	Nickel Intercept	Cu (%)	Co (%)	Notes
HS717A	391,920.1	6,513,538.8	-728.4	-75.5	312.5	129.00	135.00	6.00m @ 1.57 %	0.11	0.04	3
HS735	391,971.0	6,513,660.5	-729.1	-20.8	311.1	121.70	153.55	31.85m @ 2.76 %	0.22	0.07	3
HS736B	391,957.6	6,513,715.4	-748.3	-21.5	300.9	45.00	55.83	10.83m @ 1.77 %	0.12	0.05	3
						58.27	100.96	42.69m @ 3.41 %	0.22	0.08	
HS738	391,957.5	6,513,714.8	-748.5	-26.6	292.5	38.04	70.73	32.69m @ 2.50 %	0.18	0.07	
HS739A	391,957.4	6,513,714.2	-748.6	-30.3	280.9	28.32	35.28	6.96m @ 2.98 %	0.24	0.07	
						43.00	98.54	55.54m @ 3.32 %	0.25	0.07	
HS740	391,957.4	6,513,713.8	-748.9	-38.2	268.6	30.50	41.29	10.79m @ 2.53 %	0.20	0.06	
						44.40	89.65	45.25m @ 2.98 %	0.26	0.08	
HS741	391,957.1	6,513,713.3	-748.8	-32.2	265.9	109.30	112.30	3.00m @ 1.79 %	0.07	0.05	
						95.56	99.88	4.32m @ 1.87 %	0.14	0.04	
						20.29	26.00	5.71m @ 2.09 %	0.17	0.06	
HS742	391,957.3	6,513,713.2	-749.0	-39.1	257.0	86.58	96.98	10.4m @ 2.20 %	0.18	0.06	
						27.73	40.53	12.80m @ 2.90 %	0.21	0.07	
						50.15	84.23	34.08m @ 3.16 %	0.25	0.07	
HS756	391,920.2	6,513,534.7	-728.3	-59.3	200.6	236.65	243.91	7.26m @ 2.21 %	0.14	0.05	3
HS760	391,958.0	6,513,712.2	-748.8	-38.2	235.3	27.00	36.00	9.00m @ 1.44 %	0.14	0.04	
HS763	391,958.4	6,513,712.0	-748.6	-34.2	227.0	127.97	130.33	2.36m @ 2.71 %	0.10	0.08	
						114.14	122.85	8.71m @ 1.52 %	0.08	0.03	
LAN278	390,131.6	6,513,011.3	-306.1	-61.3	197.7	107.83	111.88	4.05m @ 5.08 %	0.34	0.09	3
LAN279	390,132.3	6,513,011.4	-306.1	-68.3	179.2	98.95	100.96	2.01m @ 8.26 %	0.52	0.16	3
LAN283	390,132.5	6,513,011.1	-306.1	-56.9	175.5	127.15	128.93	1.78m @ 3.31 %	0.15	0.06	3
LAN289	390,134.5	6,513,012.8	-306.1	-50.5	105.4	161.65	166.80	5.15m @ 3.90 %	0.31	0.09	3
LAN297	390,132.4	6,513,011.6	-306.1	-41.2	180.0	226.64	231.01	4.37m @ 4.16 %	0.26	0.09	3
LAN302	390,130.2	6,513,012.6	-305.3	-24.1	250.3	102.80	105.31	2.51m @ 4.49 %	0.20	0.11	3
LAN306	390,134.3	6,513,018.5	-304.7	-16.5	14.8	92.10	99.79	7.69m @ 1.43 %	0.09	0.03	
LAN309	390,134.2	6,513,012.9	-306.1	-64.4	106.9	90.69	95.96	5.27m @ 5.24 %	0.20	0.10	
LAN314	390,134.4	6,513,012.5	-306.1	-52.7	115.9	132.79	134.14	1.35m @ 4.82 %	0.07	0.07	
						173.04	174.11	1.07m @ 6.27 %	0.27	0.13	
SMT231	391,449.8	6,513,989.6	-444.0	-22.7	277.5	103.40	117.79	14.39m @ 1.57 %	0.10	0.04	
SMT234	391,449.9	6,513,989.2	-444.5	-38.8	265.9	91.00	99.00	8.00m @ 1.20 %	0.09	0.03	
SMT235	391,449.8	6,513,989.2	-444.1	-22.9	266.0	95.87	110.50	14.63m @ 2.65 %	0.15	0.06	4
SMT236	391,456.8	6,513,947.0	-443.3	-42.0	281.7	98.07	116.72	18.65m @ 2.74 %	0.19	0.05	
SMT237								<i>Results pending</i>			
SMT238	391,461.2	6,513,947.5	-443.8	-49.1	69.5	91.53	93.00	1.47m @ 3.49 %	0.19	0.08	4
SMT239								<i>Results pending</i>			
SMT244	391,461.1	6,513,946.6	-444.0	-58.6	90.6	79.98	81.00	1.02m @ 5.06 %	0.29	0.07	4
SMT245								<i>Results pending</i>			
SMT246								<i>Results pending</i>			
SMT247	391,462.1	6,513,908.9	-443.1	-44.0	281.8	111.40	120.40	9.00m @ 1.83 %	0.12	0.04	4
SMT248	391,462.3	6,513,908.5	-443.1	-61.5	270.5	124.13	132.17	8.04m @ 2.16 %	0.12	0.04	4
SMT249	391,462.3	6,513,908.4	-443.1	-55.9	268.3	112.73	127.17	14.44m @ 2.14 %	0.14	0.04	4
						129.63	135.08	5.45m @ 2.04 %	0.12	0.04	
SMT250								<i>Results pending</i>			
SMT251	391,462.8	6,513,907.6	-443.2	-66.6	244.5	119.94	147.4	27.46m @ 2.74 %	0.17	0.05	4
SMT252	391,462.6	6,513,907.7	-443.2	-60.2	251.0	120.35	135.00	14.65m @ 2.35 %	0.15	0.04	4
						143.17	147.68	4.51m @ 1.35 %	0.08	0.03	
SMT253								<i>Results pending</i>			
SMT254								<i>Results pending</i>			
SMT255								<i>Results pending</i>			
SMT256								<i>Results pending</i>			

## Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 1.0% Ni lower-cut off, maximum internal waste 1m, minimum intercept 1m
- Only those intercepts with > 5 nickel metres reported in table
- Hole drilled Q3 2012, results received Q4 2012
- Hole drilled Q4 2012, results received Q1 2013



## (2) Savannah Intercepts (below the 900 Fault)

Hole	East	North	RL	Dip	Azi	From (m)	To (m)	Nickel Intercept	Cu (%)	Co (%)
KUD1261	395,837.8	8,081,709.1	1,665.3	-64.6	342.1	19.18	23.50	4.32m @ 1.85%	0.34	0.08
						26.14	31.45	5.31m @ 1.48%	1.30	0.07
						38.65	42.36	3.71m @ 1.86%	1.00	0.09
						43.80	50.20	6.40m @ 1.51%	0.50	0.07
						51.55	53.35	1.80m @ 1.58%	0.38	0.08
						56.20	61.00	4.80m @ 1.47%	0.29	0.07
						68.70	70.05	1.35m @ 2.36%	0.32	0.11
						86.40	93.05	6.65m @ 1.74%	0.52	0.08
						95.00	104.60	9.60m @ 1.55%	0.58	0.07
						175.40	179.10	3.70m @ 1.16%	0.22	0.06
						190.35	193.60	3.25m @ 1.92%	0.50	0.09
						341.53	347.32	5.79m @ 1.73%	0.86	0.12
367.03	369.98	2.95m @ 2.36%	0.26	0.14						
KUD1511	396,010.0	8,081,918.7	1,678.0	-61.7	273.0	229.98	231.57	1.59m @ 1.61%	0.20	0.10
						273.91	276.66	2.75m @ 0.99%	0.71	0.06
						278.23	281.90	3.67m @ 0.94%	0.93	0.05
KUD1512	395,975.8	8,081,921.2	1,678.0	-58.3	252.5	270.57	277.78	7.21m @ 0.78%	0.39	0.04
						396.75	401.53	4.78m @ 1.27%	0.25	0.09
KUD1512-A	395,975.8	8,081,921.2	1,678.0	-58.3	252.5	393.86	395.32	1.46m @ 1.48%	1.91	0.11
KUD1517-A	396,009.2	8,081,919.2	1,678.0	-45.6	266.6	556.52	558.51	1.99m @ 3.36%	1.23	0.23
						560.00	564.67	4.67m @ 3.17%	1.21	0.21
						610.77	612.77	2.00m @ 2.27%	0.37	0.10
KUD1518	395,975.2	8,081,921.2	1,678.1	-47.5	258.8	508.00	512.09	4.09m @ 2.44%	1.59	0.13
KUD1518-A	395,975.2	8,081,921.2	1,678.1	-47.5	258.8	508.25	523.56	15.31m @ 2.81%	1.29	0.17

Notes:

1. Intervals are down-hole lengths, not true-width
2. Parameters: 0.5% Ni lower cut-off, 1m maximum internal waste, 1m minimum length
3. Only intercepts with > 2 Ni \* m shown in table

## (3) Beaver Lake/SEA Intercepts

Assay Results – 2012 Beaver Lake/SEA Step-out Drill Program

Hole No.	From (m)	To (m)	Interval (m)	Pt (ppm)	Pd (ppm)	Cu (ppm)	Ni (ppm)	Pt+Pd (ppm)
BL12-444	819.20	821.70	2.50	1.20	0.80	8256	1848	2.00
BL12-445	869.10	870.60	1.50	0.63	0.69	2052	1083	1.32
BL12-446	748.00	750.00	2.00	0.19	0.18	507	537	0.37
BL12-447	873.45	880.63	7.18	0.15	0.16	591	809	0.31
<i>Including</i>	879.45	880.63	1.18	0.35	0.47	1450	1070	0.82
BL12-448	747.60	752.50	4.90	0.57	0.54	3697	1224	1.11
<i>Including</i>	751.50	752.50	1.00	1.03	1.08	3240	1720	2.11
BL12-449	856.55	860.55	4.00	0.13	0.13	526	541	0.26
BL12-453	914.25	916.75	2.50	0.28	0.18	4672	1510	0.46
BL12-454	948.30	950.80	2.50	0.15	0.13	228	556	0.28
BL12-455	610.00	613.90	3.90	0.44	0.47	2024	1140	0.91
BL12-456	996.40	998.40	2.00	0.29	0.33	921	869	0.62
BL12-457	595.90	599.90	4.00	0.92	0.84	3914	2099	1.76

Notes:

1. Intervals are down-hole lengths, not true-width



## Appendix 2 – 2012 Resource and Reserves Tables

**Table 1: Nickel (July 2012)**

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										
Cruikshank			Apr-11	-	-	2,018,000	1.42	611,000	0.79	2,629,000	1.28	33,600
Deacon			Jul-12	854,000	2.70	388,000	2.73	55,000	2.48	1,297,000	2.70	35,000
Gigantus			Jul-07	-	-	-	-	652,000	1.63	652,000	1.63	10,600
Helmut South			Jul-12	45,000	2.95	-	-	-	-	45,000	2.95	1,300
Helmut South Ext			Jun-12	35,000	4.65	125,000	3.68	15,000	1.77	175,000	3.71	6,500
John			Jul-07	-	-	-	-	291,000	1.42	291,000	1.42	4,100
Lanfranchi			Jul-12	17,000	6.08	62,000	5.38	7,000	5.44	86,000	5.52	4,700
Martin			Jul-07	-	-	71,000	3.10	7,000	2.48	79,000	3.04	2,400
McComish			Jul-07	-	-	-	-	992,000	1.49	992,000	1.49	14,800
Schmitz			Jul-12	7,000	7.07	41,000	3.85	5,000	4.31	52,000	4.30	2,300
Winner			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										
Deacon			Jul-12	-	-	1,375,000	2.01	1,375,000	2.01	27,600		
Helmut South			Jul-12	-	-	48,000	2.24	48,000	2.24	1,100		
Lanfranchi			Jul-12	-	-	43,000	3.08	43,000	3.08	1,300		
Schmitz			Jul-12	-	-	21,000	3.04	21,000	3.04	600		
Helmut Sth Ext			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 release 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 release of the matters based on their information in the form and context in which it appears.



Information in this release 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 or ex-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 release of the matters based on his information in the form and context in which it appears.

**Table 2: Gold (October 2012)**

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 (70%)

- 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 release 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.

## Platinum Group Metals (PGM)

**Table 3: Thunder Bay North**

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

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

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

The information in this release 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 release that relates to Mineral Resources compiled internally was prepared by Guoliang Leon Ma and Allan MacTavish, both full time employees of Panoramic PGMs (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. The aforementioned consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.

**Table 4: Panton**

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.