



16 September 2013

ASX: PAN

## Gidgee Gold Project Bankable Feasibility Study Update

### Key Points

- Resources up 26% to 1.3 million oz Au
- Increased geological confidence - 85% of the Gidgee Resources reported in the Indicated Resource Category
- Significant additional high grade resources at Wilsons
- BFS progressing well with significant capital cost savings identified
- Higher IRR targeted - lower capital and operating costs from a lower risk production option based on mining Wilsons ore only

### Details

Panoramic Resources Limited ("Panoramic") is pleased to provide this update on the Gidgee Bankable Feasibility Study.

### Bankable Feasibility Study (BFS)

The August 2012 Gidgee Scoping Study (*refer ASX announcement on 17 August 2012*) contemplated mining from a combination of various underground and open pit sources including open pit ore from Swan Bitter, Swift, Howards, Toedter, Specimen Well and underground ore from Wilsons and treating ore through a 1.05Mtpa processing plant to produce an estimated 606,000oz gold over an initial seven years, at an estimated average cash cost of A\$870/oz. This Scoping Study assumed an upfront construction capital cost of approximately \$127 million inclusive of all processing facilities, associated infrastructure and open pit and underground pre-development. Following the success of the FY2013 drilling program and the significant increase in Gold Resources, a decision has been made to expand the BFS to include a separate "Wilsons Only" option (300ktpa of ore from underground) as well as the originally Scoped Project (1.05Mtpa of ore from open pits and underground).

### Progress to date

The following is a summary of progress to date on the Gidgee BFS:

#### Metallurgy

- Metallurgical test work has now been completed on ore from the Wilsons, Howards and Swan Bitter Resources.
- Flowsheet development demonstrates that bacterial oxidation is a viable processing route for the Wilsons Resource.

#### Mine Planning

- Wilsons underground mine design underway, with the potential for a small starter pit being investigated.
- Additional geotechnical drilling completed at Howards and Swan Bitter to assist mine design parameters.

#### Tailings

- Technical studies have confirmed that the existing tailing storage facility can be utilized, which is expected to reduce capital requirements.



## Infrastructure

- Site power could be supplied in an off balance sheet “BOOT” arrangement, thereby reducing upfront capital requirements.
- The existing accommodation village, offices and workshops to be refurbished, providing further capital cost savings.

## Approvals

- Mining approvals documentation is currently being prepared, targeting lodgement in December 2013.

## Wilsons Only Option

The Gidgee BFS has been expanded to consider a smaller, higher grade development alternative called “Wilsons Only”, targeting an improved project internal rate of return (IRR) from increased margins and a lower capital intensity. This new option involves mining the high grade Wilsons Resource via traditional underground mining methods, processing ore on site to produce a gold concentrate which would either be (1); sold to a third party sold, or (2); processed on site via bacterial heap leaching to produce gold dore. The use of heap leaching is expected to result in a lower risk processing route with significant capital and operating cost savings compared to the August 2012 Scoping Study project parameters, as shown in Table 1:

**Table 1 – Key Parameter Comparisons**

Item		August 2012 Scoping Study*	Wilsons Only Concept September 2013 (heap leach on site)
Ore Milled	tpa	1.05M	~300k
Mill gold head grade	g/t	3.15	5.5-6.0
Gold produced	k oz/yr	80-90	45-50
Cash Cost (C1)	A\$/oz	870	750-800
Upfront Capital Costs	A\$M	127	60-70

\*Results of August 2012 Gidgee Scoping Study

## Gidgee Resources Upgraded

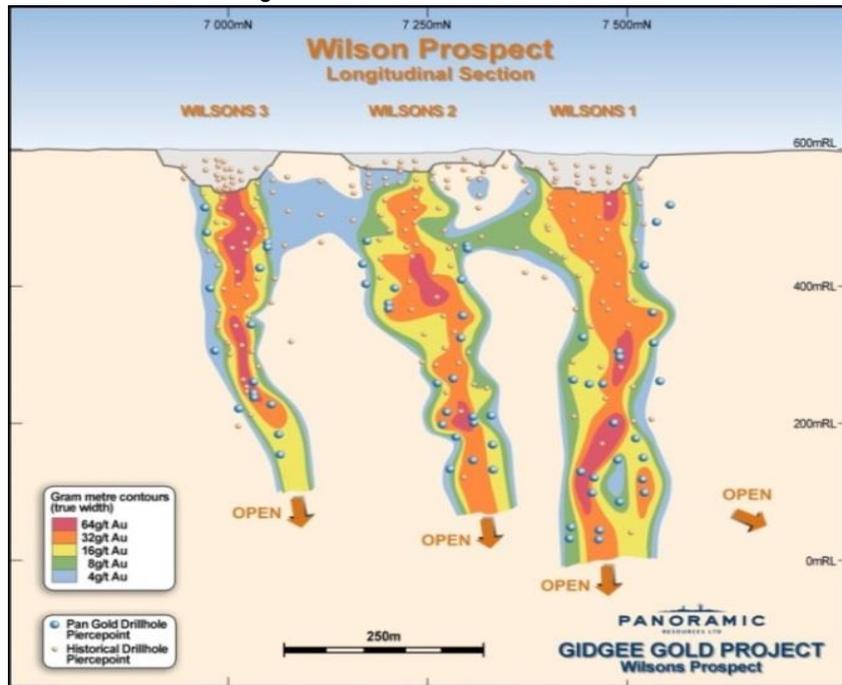
As detailed in the Company’s 13 September 2013 ASX announcement on Gold Project Resources, the FY2013 drilling program at Gidgee resulted in the Gidgee Gold Resources increasing by 26% to 1.3Moz Au with 85% of the Resources now classified in the Indicated Resource Category (refer Appendix 1). The drill program involved:

- 36,000m of drilling in total;
- 14,000m of reverse circulation drilling at Howards, Shiraz, Swift and Wilsons; and
- 21,000m of diamond drilling at Wilsons, Howards and Swan Bitter.

The key outcome is the increased level of confidence around the Resources and in particular the increase in the amount of gold which could support a stand-alone operation.



**Figure 1 – Wilsons Mineral Resource**



## 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 19,561t of nickel contained in FY2013 and is forecasting to produce between **20,000 and 21,000t** of contained nickel in FY2014. Panoramic is an S&P/ASX 300 Index company with a solid balance sheet, no bank debt and a growing nickel, gold and PGM resource base, employing over 400 people (including contractors).

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic subsequently 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 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 Pantom PGM Project located approximately 60km south of the Savannah Project in the East Kimberley and the Thunder Bay North PGM Project in Northern Ontario, Canada.

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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## Appendix 1:

### Gold Resources, Relevant Disclosures and Competent Persons Statements

**Table 1**

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 OC			Jun-12	-	-	3,399,000	2.40	327,000	3.51	3,726,000	2.49	298,600
Heron South			Oct-12	-	-	1,000,000	2.31	136,000	1.41	1,136,000	2.20	80,300
Howards			Jul-13	-	-	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
Specimen Well			Jun-12	-	-	289,000	2.06	72,000	1.79	361,000	2.00	23,200
Toedter			Jun-12	-	-	-	-	661,000	1.62	661,000	1.62	34,400
Eagles Peak			Mar-06	-	-	13,000	3.46	-	-	13,000	3.46	1,400
Orion			Mar-06	-	-	22,000	3.04	-	-	22,000	3.04	2,200
Deep South			Mar-06	-	-	20,000	3.02	-	-	20,000	3.02	1,900
Shiraz			Jul-13	-	-	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
Swan UG			Jun-12	-	-	207,000	8.71	125,000	9.02	332,000	8.83	94,200
Swift UG			Jun-12	-	-	-	-	72,000	9.23	72,000	9.23	21,400
Omega UG			Mar-06	-	-	31,000	9.20	-	-	31,000	9.20	9,200
Kingfisher UG			Mar-06	-	-	390,000	6.80	-	-	390,000	6.80	85,300
Wilsons UG			Jul-13	-	-	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
<b>Mt Henry Project</b>	<b>70%</b>	<b>Gold</b>										
Selene			Jul-13	-	-	12,258,000	1.17	3,614,000	0.92	15,872,000	1.11	568,100
Mt Henry			Jul-13	-	-	10,869,000	1.24	4,476,000	1.13	15,345,000	1.21	596,000
North Scotia			Jul-13	-	-	250,000	3.11	97,000	1.95	347,000	2.79	31,100
<b>Total (Equity)</b>		<b>Gold</b>		-	-	<b>38,610,000</b>	<b>1.65</b>	<b>10,872,000</b>	<b>1.36</b>	<b>49,482,000</b>	<b>1.58</b>	<b>2,520,400</b>

#### Gidgee Project

• Swan OC 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 UG Resource cutoff grade is 4.0 g/t for Indicated resources and 5.0 g/t for Inferred resources • Swift UG Resource cutoff grade is 5.0 g/t • Omega UG Resource cutoff grade is 3.0 g/t • Kingfisher UG 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 OC, Eagles Peak, Orion, Deep South, Swan UG, Swift UG, 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 he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Dr Carras consents to the inclusion in the report of the matters based on this 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 • Wilsons Resource cutoff grade is 2.0 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, Toedter and Wilsons Mineral Resources is based on information compiled by or reviewed by Andrew Bewsher (AIG) and Ben Pollard (AIG & MAusIMM). The aforementioned are full time employees of BM Geological Services and 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 JORC Code. The aforementioned consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

#### Mt Henry Project

• Mt Henry Project Resource cutoff grades are 0.4 g/t (previously reported at 1 g/t cutoff). • 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 Andrew Bewsher (MAusIMM). Andrew Bewsher is a full time employee of BM Geological Services and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Andrew Bewsher consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.