



10 October 2013

ASX: PAN

Potential New Channel Identified at Lanfranchi

Highlights

- **Potential new channel located to the east of the Deacon orebody**
- “Channel facies” lithologies identified in a location previously unrecognised as prospective
- Strong off-hole electromagnetic (“EM”) conductor identified
- EM conductor lies directly below drill hole HS782, locating it within the new potential channel system
- Follow-up drill program to commence before the end of 2013

Details

Panoramic Resources Limited (“**Panoramic**”) is pleased to announce that a potential new channel has been identified to the east of the Deacon orebody at Lanfranchi. While in the early stages of exploration, Panoramic views these results as significant. Should ongoing exploration confirm the presence of a new channel to the east of Deacon it will open up an entirely new exploration front at Lanfranchi.

During September 2013, Panoramic completed drill hole HS782 from the 7770 Deacon stockpile (*Figure 1*). Drill hole HS782 was designed to follow-up HS709, which was drilled in late 2011. Importantly, HS709 had intersected high MgO “channel facies” lithologies coincident with a strong, but incomplete down hole electromagnetic (“DHEM”) conductor.

The follow-up drill hole, HS782, was targeted approximately 35m to the north-east of HS709 and intersected **10.8m grading 0.93% Ni**. Drill hole HS782 is interpreted to have intersected the top sequence of a komatiite flow located within the potential new channel. The DHEM survey data from HS782 and HS709 has been modelled and indicates the presence of a strong off-hole EM conductor lying directly below both holes, placing it within the interpreted channel position (*Figure 1*).

The latest drill result to the east of Deacon is considered significant as the high MgO channel facies komatiite, strong off-hole EM conductors and now low tenor nickel sulphide mineralisation have all now been identified.

The Company plans to mobilise a second drill rig to site before the end of 2013 to continue testing this potential new channel. Once mobilised, the drill rig will also test a series of other exploration targets, including the previously identified strong EM conductor located down-plunge of Deacon (*Figure 1*). A dedicated drill cuddy at the base of the Deacon decline is currently being developed for these programs.

Background

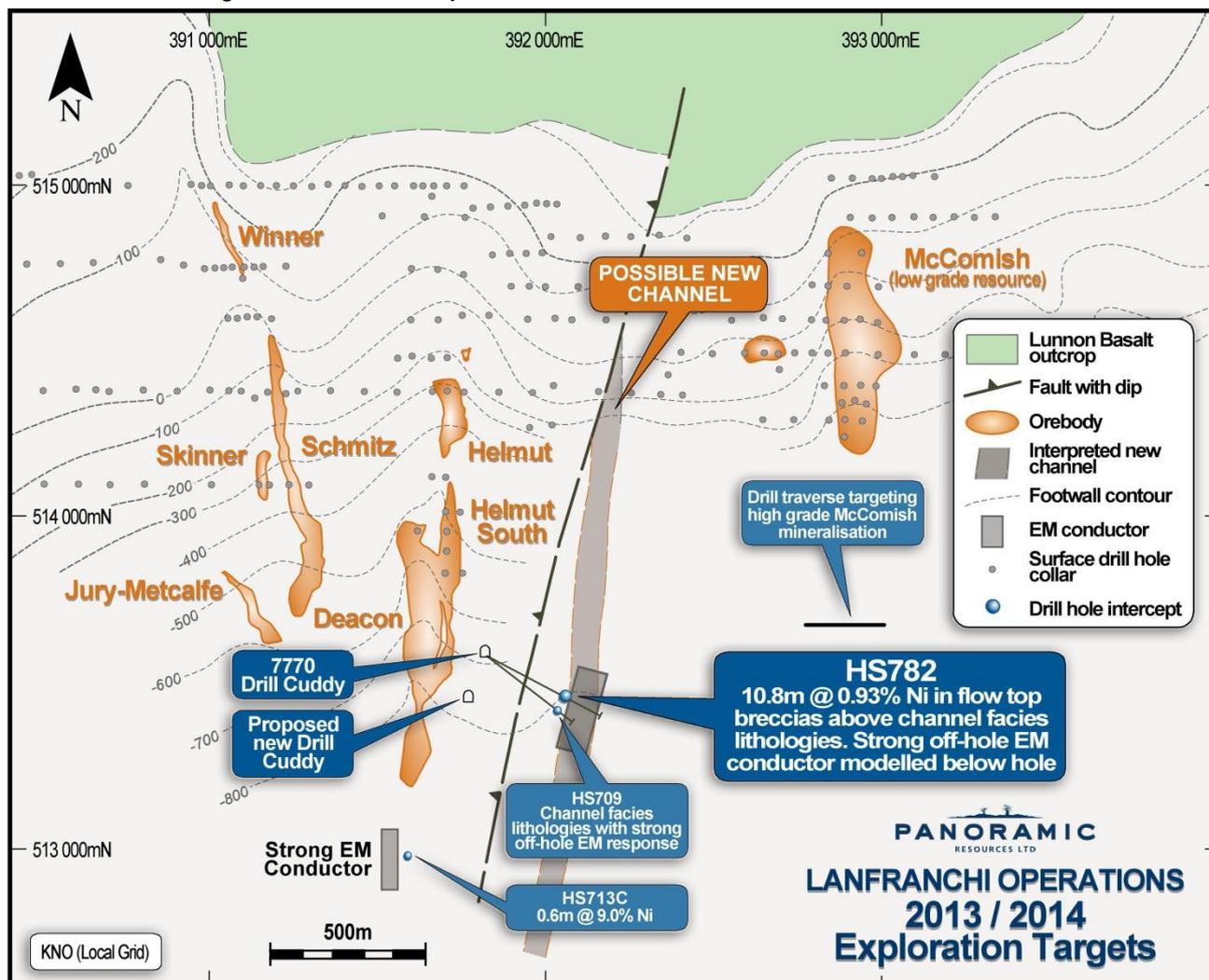
In late 2011, Panoramic drilled HS709 from the Deacon 7770 stockpile in a southeasterly direction to follow-up EM responses associated with a large thrust structure to the east of Deacon. After passing through the thrust zone, HS709 re-entered the Kambalda Komatiite sequence at 340m down-hole. This intersection indicated a potential embayment feature in the Lunnon Basalt-Kambalda Komatiite contact. Drill hole HS709 was eventually terminated in relic spinifex textured komatiites at 450m after passing through a thick sequence of high MgO “channel facies” komatiites. A conductive off-hole EM response was detected in the last 20m of the hole. At the time, the EM response could not be reliably modelled due to the lack of data.



In September 2013, the 7770 stockpile became available and Panoramic targeted drill hole HS782 approximately 35m to the north-east of HS709. Drill hole HS782 also passed through the thrust structure east of Deacon before re-entering the Kambalda Komatiite sequence at 360m then passed through a thick sequence of high MgO “channel facies” komatiites before entering a sequence of spinifex textured and flow top breccias at about 475m. A zone of sulphide mineralisation in this sequence, between 487m and 497.8m, returned 10.8m grading 0.93% Ni.

A DHEM survey has successfully been completed in HS782 to a depth of 470m. Like HS709, a strong off-hole EM response was detected in HS782 between 430m and 470m. When modelled in conjunction with the HS709 survey, the data indicated a strong, off-hole EM conductor more or less directly below the flow top mineralisation within the interpreted channel position.

Figure 1 – Plan view of potential channel zone located to the east of Deacon





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 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 more than 400 people (including contractors).

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic subsequently acquired 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 Panton 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 company in the S&P/ASX 100 Index.

For further information contact:

Peter Harold
Managing Director
+61 8 62668600

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.