News Release

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28 February 2014 **ASX: PAN**

Savannah North Discovery - Update

Highlights

- **KUD1525 intersects a further 8.7m of mineralisation from 882.5m**
- **Drilling of KUD1525 is now complete with two intersections as follows** (*see Table 1 for the summary of results*):
  - 89.3m @ 1.60% Ni, 0.76% Cu and 0.12% Co from 704.9m including (*as previously released*)
    - 13.2 @ 2.10% Ni, 0.72% Cu and 0.15% Co from 741.8m; and
    - 17.0m @ 2.28% Ni, 1.16% Cu and 0.17% Co from 777.0m
  - 8.7m @ 1.23% Ni, 0.87% Cu and 0.09% Co from 882.5m including
    - 5.3m @ 1.69% Ni, 0.71% Cu and 0.12% Co from 882.5m
- Down-hole electromagnetic ("EM") surveying of KUD1525 has commenced
- The second hole of the initial structural model test drilling program has commenced (*KUD1527*)
- KUD1527 is designed to test for the predicted position of the Savannah North Intrusion above the 500 Fault

Details

Panoramic Resources Limited ("Panoramic") is pleased to announce that the Savannah North discovery **hole KUD1525 has been completed, with the intersection of two zones of mineralisation**. KUD1525 was drilled to a total down-hole depth of 972.7m.

The initial zone of 89.3m @ 1.60% Ni, 0.76% Cu and 0.12% Co from 704.9m was reported previously (*see ASX releases of 18 and 19 February 2014*) and is interpreted to lie between the 900 and 500 Faults in a faulted offset position north of the mine (*Figure 1*). The intersection places the mineralisation approximately 650m to the north and 300m below the depth of the current decline position.

The second zone of mineralisation intersected in KUD1525 was 8.7m @ 1.23% Ni, 0.87% Cu and 0.09% Co from 882.5m and is interpreted to be mineralisation caught up within the 900 Fault zone, lying below the Savannah North discovery (*Figure 1).*

Note: Intersections are reported as downhole lengths and are not true width. See Appendix 1 for relevant JORC 2012 disclosures. Table 1, Section 1 "Sampling Techniques and Data" describes the standard exploration sampling and data collection methods employed at the Savannah Nickel Mine. Table1, Section 2 "Reporting of Exploration Results" describes additional details more pertinent to drill hole KUD1525.

Geological Model – proof of concept

Panoramic updated the structural model for the Savannah Intrusion and Savannah orebody upon completion of the drill program testing below the 900 Fault. The model predicts the folded and faulted repetition of the Savannah Intrusion to the north of the existing mine. The change in orientation of the Savannah Intrusion identified below the 900 Fault predicts that the Intrusion and orebody would be displaced back above 900 Fault to the north of the existing mine. Drill hole, KUD1525, was targeted at this position and is proof of the concept. The structural model also predicts that the Savannah Intrusion and orebody may be displaced further to the east and above the 500 Fault. A second drill hole, KUD1527, is being drilled to test this possibility.

Work plan and timeline

To accelerate Panoramic's understanding of the Savannah North discovery, the following work plan has been put in place.

Phase 1 - Underground drilling

- KUD1525 is currently being EM surveyed. The EM survey will help to design the follow up drill holes (including surface holes) which will test for potential further mineralisation associated with the Savannah North discovery.
- Drilling of the second hole, KUD1527, in the originally planned structural drilling program has commenced.
- KUD1527 is designed to test for the predicted position of the Savannah Intrusion above the 500 Fault and is being drilled in a north-easterly direction (*see Figure 1*). KUD1527 is a structural model "proof of concept" hole and is not specifically designed to follow up the initial Savannah North discovery. Upon completion, KUD1527 will be EM surveyed.
- It is anticipated that the preliminary underground drilling phase will take approximately 6-8 weeks to complete.

Phase 2 - Surface drilling

- A surface drilling rig is being mobilised to site.
- A surface drilling program will be undertaken to locate the position of the 500 and 900 Faults in close proximity to the initial discovery hole (*KUD1525*) and to better define the position and orientation of the host Savannah Intrusion.
- The surface holes will help to locate these key structural and lithological features and also provide an indication as to the vertical height of the Savannah North discovery.
- It is anticipated that the surface drilling will take approximately 2-3 months to complete.
- All surface holes will be EM surveyed.

Phase 3 – Exploration drill drive and definition drilling

- Upon completion of Phases 1 and 2, Panoramic will be able to design, plan and commence mining of a dedicated exploration drill drive (subject to the results from Phase 1 and 2).
- Once established, the exploration drill drive will provide a dedicated platform for definition drilling of the Savannah North discovery.
- Based on our current understanding, 600 metres of development will be required, subject to the drilling results and will be completed by the existing Savannah mining team.
- It is anticipated that the exploration drill drive could be available for definition drilling by August/September 2014.

Table 1: Summary of drill results for KUD1525

Hole ID	East	North	RL	Azimuth	Dip	From	To	Length (m)	Ni(%)	Cu(%)	Co(%)	EOH (m)
KUD1525	6012.14	1923.75	1678.48	0	-41	704.9	794.2	89.3	1.60	0.76	0.12	972.7
Including						741.8	755.0	13.2	2.10	0.72	0.15	
						777.0	794.0	17.0	2.28	1.16	0.17	
						882.5	891.2	8.7	1.23	0.87	0.09	
Including						882.5	887.8	5.3	1.9	0.71	0.12	

Competent Person

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 2012 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.

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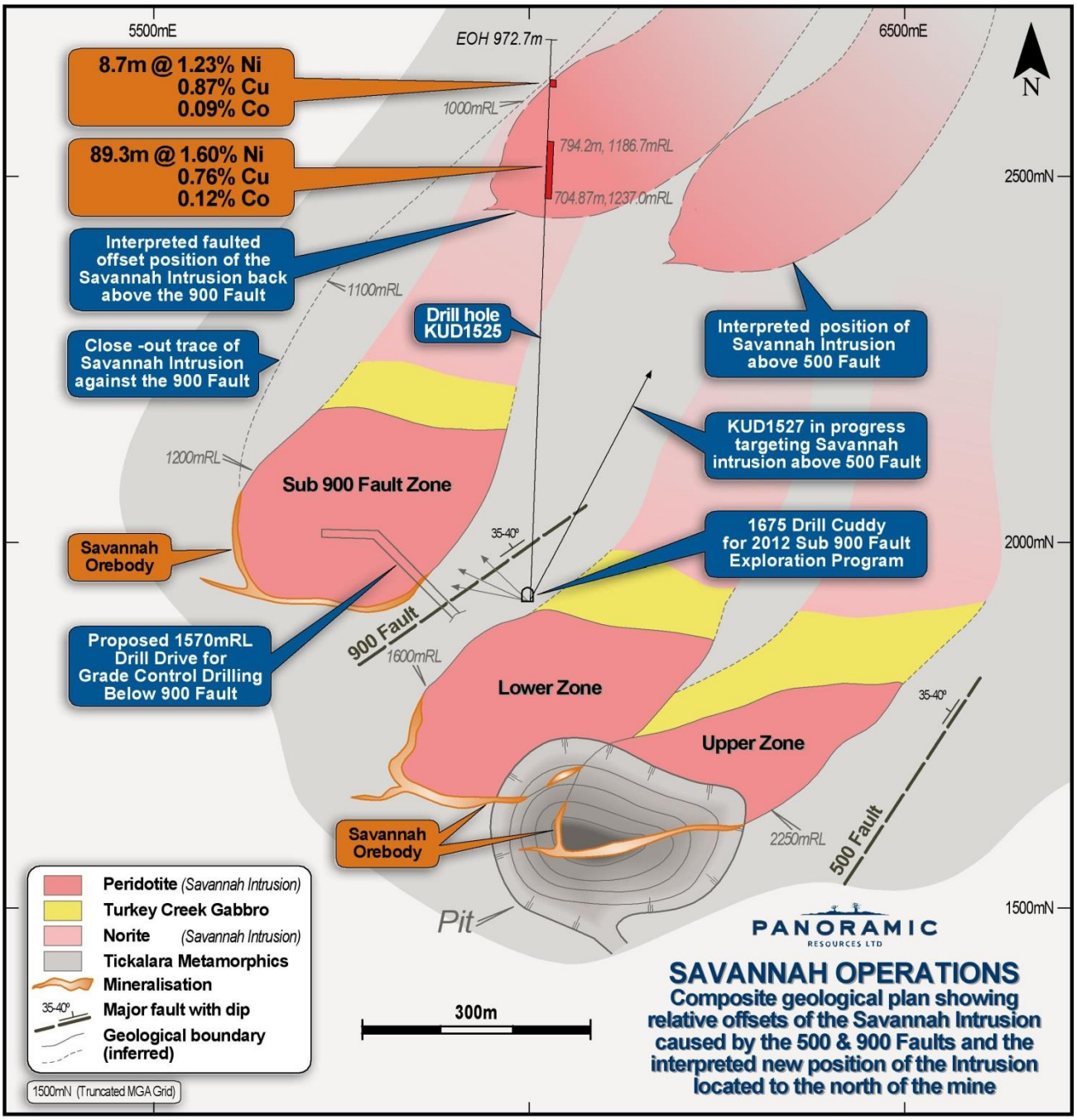
Figure 1: Plan view of Savannah North showing position of KUD1525 relative to KUD1527



Appendix 1 – JORC 2012 Disclosures

Table 1, Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• The deposit is sampled by diamond drilling techniques. Over 1500 holes have been drilled for a total in excess of 220,000m. The majority of holes have been drilled from underground drill platforms. • The drill hole spacing is a nominal 25x25m grid spacing over the extent of the mineralisation. • All drill hole collars have been surveyed using Leica Total Station survey equipment by a registered surveyor. Downhole surveys have been typically performed every 30 metres using either "Reflex EZ Shot" or "Flexit Smart Tools". • All diamond core has been geologically logged with samples (typically between 0.2 metre to 1 metre long) defined by geological contacts. Analytical samples include a mix of full and sawn half core samples. Sample preparation includes pulverising to 90% passing 75 µm followed by total 4 acid digest and analysis by ICP OES.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• A mix of LTK60 and NQ2 sized diamond drilling has been used to obtain >90% of the data used in the estimate. Some RC drilling has been used historically for the upper part of the resource.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Diamond core recoveries are logged and recorded in the database. Overall recoveries are >99% and there are no apparent core loss issues or significant sample recovery problems. • Depths checked against core blocks, regular rod counts, driller breaks checked by fitting core together. • No relationship exists between sample recovery and grade
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• All holes have been geologically logged in full. Geotechnical logging is carried out on all diamond drillholes for recovery and RQD. Number of defects (per interval) and roughness is measured around the ore zones. Structure type, alpha angle, infill, texture and healing are stored in the structure table of the database. • Logging of diamond core RC samples records lithology, colour, mineralisation, structural (DDH only) and other features. Core is photographed wet. • All drill holes are logged in full.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Analytical core samples include a mix of full and sawn half core samples. • All samples are from core • All core sampling and sample preparation follow industry best practice. • QC involves the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC is inserted in most sample batches. • Original versus duplicate assay results have always shown strong correlation due to massive sulphide rich nature of the orebody. • Sample sizes are considered appropriate to represent the Savannah style of mineralisation.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The Savannah Nickel Mine onsite laboratory standard analytical technique is a 3-acid digest with an AAS finish. The method best approaches total dissolution for most minerals The onsite exploration sample analytical method for Ni,Cu,Co is AAS 22S. Exploration samples sent off-site are analysed using a 4-acid digest with either ICP OES or AAS finish (AAS for ore grade samples). • No other analytical tools or techniques are employed. • The onsite laboratory is run by SGS Laboratory Services. • The onsite laboratory carries out sizing checks, uses internal standards, duplicates, replicates, blanks and repeats. A selection of roughly 10% of pulps is sent to external laboratories for repeat analysis and sizing checks. No bias has been identified.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Drilling and sampling procedures at SNM have been inspected by many stakeholders since the project began. • Throughout the life of the mine, there have been several instances where holes have been twinned, confirming intersections and continuity. • Holes are logged into Excel templates on laptops, data is then entered into MS Access database with user data entry front end built in. Data is ultimately transferred to SQL server from Perth office. Data periodically validated by site personnel. • No adjustments have been made to assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All diamond drill hole collars have been surveyed using Leica Total Station survey equipment by a registered surveyor. "Reflex EZ Shot" or "Flexit Smart Tool" is used for downhole surveys at approximately every 30m. Visual inspection in a 3D graphics environment using Surpac software has not identified any obvious errors regarding the spatial position of drill hole collars or downhole surveys • The mine grid is a truncated 4 digit (MGA94) grid system. • Conversion from local grid to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000N • Topographic control is of a high quality and is adequate for the resource estimation process
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Nominal drillhole spacing of 25m (easting) by 25m (RL) • The mineralised domains delineated by the drill spacing show enough continuity to support the classification applied under the 2012 JORC Code. • No sample compositing has been undertaken.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drillhole orientation is largely perpendicular to the orebody with the exception of the western extent where drill platform positions only allow for oblique intersections. • No orientation sampling bias has been identified.
Sample security	• The measures taken to ensure sample security.	• Samples transported to onsite lab by Panoramic staff. Samples sent off site are road freighted (Nexus transport) and tracked using spreadsheets onsite.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits/reviews of the sampling techniques have been undertaken in recent time. The procedures used are considered to be industry standard. Mine to mill reconciliation records throughout the life of the Savannah Project provide confidence in the sampling procedures.

Table 1, Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The Savannah Nickel Mine (SNM) is an operating mine secured by 5 contiguous Mining Licences. All tenure is current and in good standing. SNM has the right to explore for and mine all commodities within the mining tenements, being ML's 80/179 to 80/183 inclusive. • The SNM is an operating mine with all statutory approvals and licences in place to operate. The mine has a long standing off-take agreement to mine and deliver nickel sulphide concentrate to Jinchuan in China.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.
Geology	• Deposit type, geological setting and style of mineralisation.	• The SNM is based on mining ore associated with the Savannah Intrusion; a palaeo-proterozoic mafic/ultramafic magma conduit. The Ni-Cu-Co rich massive sulphide mineralisation occurs as "classic" magmatic breccias developed about the more primitive, MgO rich ores basal parts of the conduit.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All exploration at SNM is conducted on the Savannah mine grid, which is a "4 digit" truncated MGA grid. Conversion from local to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000. RL equals AHD + 2,000m • KUD1525 is an NQ2 size underground diamond hole, with collar cords of 1923.75mN, 6012.14mE & 1678.48mRL. • Collar setup was due north at -41 degrees dip. End of hole depth is 972.7 metres. • The core was orientated and photographed prior to cutting and sampling. • All intersection intervals are reported as down-hole lengths and not true widths. • All KUD1525 assays were performed on the Savannah onsite laboratory.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Weighted averages were calculated using parameters of 0.5% Ni lower cut-off, minimum reporting length of 1m and maximum internal waste of 7m. • Cu and Co grades were determined by the defined Ni grade interval, ie they were not calculated independently.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The geometry of the mineralisation reported in KUD1525 with respect to the drill hole has not been established. • All intersection lengths reported in this accompanying release are down-hole lengths and not true widths.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Based on the limited level of data currently available for this area at Savannah it was deemed that a simplified plan view showing the location of the exploration drill results in relation to the main areas of the SNM operation was more appropriate.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Based on the fact that exploration results reported herein are from a single drill hole, located well away from other mine drill holes, the report is considered to be sufficiently balanced.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No other exploration data is considered material to this release at this stage.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The exploration results reported for KUD1525 are from the first hole of a program of long holes scheduled to run for the next few months. Further results will be reported if and when they become available.