



28 March 2014

ASX: PAN

Savannah North Drilling and Geology Update

Highlights

- Savannah intrusion intersected above the 500 Fault , giving further confirmation of concept
- Broad zones of sulphides intersected in drill holes KUD1528 and SMD153
- Follow up geophysical DHEM surveys to commence
- Three drill rigs mobilised to site (two surface and one underground) and testing the Savannah North area

Details

Panoramic Resources Limited ("Panoramic") provides the following update on the Savannah North drilling program. Since the last update (*refer ASX announcement dated 3 March 2014*), the Company has completed a further two underground holes (KUD1527 and 1528) from the 1675 drill cuddy and is nearing completion of the first surface drill hole (SMD153). A second surface drill rig has been mobilised to the site and has commenced drill hole SMD154.

Underground Drilling

KUD1527 – at the time of the last ASX announcement on 3 March 2014, underground drill hole KUD1527 was still in progress. This hole was drilled towards the north-east (Dip -11°, Azimuth 023°) from the 1675 drill cuddy. KUD1527 was targeted at the interpreted position of the Savannah Intrusion above the 500 Fault. The hole intersected the Savannah Intrusion at 364.6m prior to intersecting the 500 Fault at 467.4m. The hole remained in the 500 Fault until the end of hole at 603.1m. A 0.57m thick zone of Savannah style magmatic breccia mineralisation was intersected on the contact at 364.6m and assayed 1.51% Ni. The intersection of the Savannah Intrusion above the 500 Fault is viewed as further confirmation of the Savannah North structural model. This hole is yet to be surveyed by down-hole electromagnetics ("DHEM").

KUD1528 – this hole was drilled grid north (Azimuth 000°) from the 1675 drill cuddy with a dip of -30° and was designed to test the area above the 500 Fault. Between 411m and the end of hole at 649.5m, the hole intersected a thick gabbro to olivine rich gabbro unit. The gabbro unit contained a number of broad zones of fine disseminated to blebby sulphide (assays are still pending).

The sulphides intersected in drill hole KUD1528 occur over the following intervals, with supporting geological comments:

- 401 to 414m – fine grained contact zone as in SMD153 (refer below) containing thin zones of stringer sulphide mineralisation; and
- 414 to 492m – broad zones of gabbro norite containing visually identified low tenor disseminated sulphide mineralisation (as seen in SMD153).



The current interpretation is that the gabbroic unit is not considered part of the Savannah Intrusion, but possibly related to the North Olivine Gabbro Complex situated to the north of the Savannah Mine. Further drilling and DHEM surveying is required to understand further the significance of the North Olivine Gabbro Complex and its associated structural relationships.

KUD1525A – is currently in progress as a daughter hole to the parent hole KUD1525 (the Savannah North discovery hole). This hole is the first in a program of follow-up holes testing the area in the vicinity of the initial discovery in drill hole KUD1525.

Surface Drilling

Surface drilling at Savannah North began on 12 March 2014 with drill hole SMD153. This hole has reached a depth of ~1,100m and is approaching its targeted design depth of ~1,200m (subject to results). Drill hole SMD153 is designed to test the strong off-hole geophysical anomaly detected in KUD1525 and supported by a similar response in KUD1526 (*refer ASX announcement dated 3 March 2014*). To date, SMD153 has passed through the modeled position of the off-hole anomaly intersecting a gabbroic unit with broad zones of fine disseminated to blebby sulphides (assays are still pending). This is interpreted to be part of the same unit as that encountered in KUD1528 (*refer above*).

The sulphides intersected in SMD153 occur over the following intervals, with supporting geological comments:

- 911.6 to 1025.5m – broad zone of gabbro norite containing visually identified low tenor disseminated sulphide mineralisation; and
- 1025.5 to 1034.5m – fine grained contact zone containing thin zones of stringer sulphide mineralisation.

Currently, it is unclear if the sulphide mineralisation present within the gabbroic unit intersected by SMD153 and KUD1528 explains the strong off-hole EM responses detected earlier in KUD1525 and KUD1526 (*refer to ASX announcement dated 3 March 2014*). Follow up DHEM surveys are now to commence to assist in the geological interpretation.

Surface drill hole SMD154 commenced on 23 March 2014 and is designed to intersect the Savannah Intrusion intersected above the 500 Fault by KUD1527.

Forward work plan

Three drill rigs are currently on site (two surface and one underground) and will continue to drill exploratory holes for the next 2-3 months in order to understand the geology and structural relationships of the Savannah North area. A second round of DHEM surveying is now to commence to complete the DHEM surveys of KUD1527, KUD1528 and SMD153.

Managing Director, Peter Harold, said “*we are pleased that we have been able to mobilise additional drilling equipment at short notice to accelerate the drill program aimed at defining the scale and setting of the Savannah North mineralisation*”.

Table 1: Savannah North Drill Program Summary

Hole ID	East	North	RL	Azimuth Grid	Dip	From	To	Length (m)	Ni%	Cu %	Co %	EOH (m)
KUD1527	6012.50	1923.80	1678.55	022.5	-11.0	364.97	365.54-	0.57	1.51	0.30	0.06	603.1
KUD1528	6012.20	1923.75	1678.65	0	-30.0	-	-	Sampling in progress	-	-	-	649.5
SMD153	5921.84	2401.12	2382.11	113.5	-87.4	-	-	Yet to be sampled	-	-	-	In progress
SMD154	6144.9	2332.4	2362.10	146	-87.0	-	-	-	-	-	-	In progress

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.



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 contained nickel in FY2013 and is forecasting to produce between 21,000 and 21,500t of contained nickel in FY2014. Panoramic has 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 Gidgee and Mt Henry Bankable Feasibility Studies have commenced.

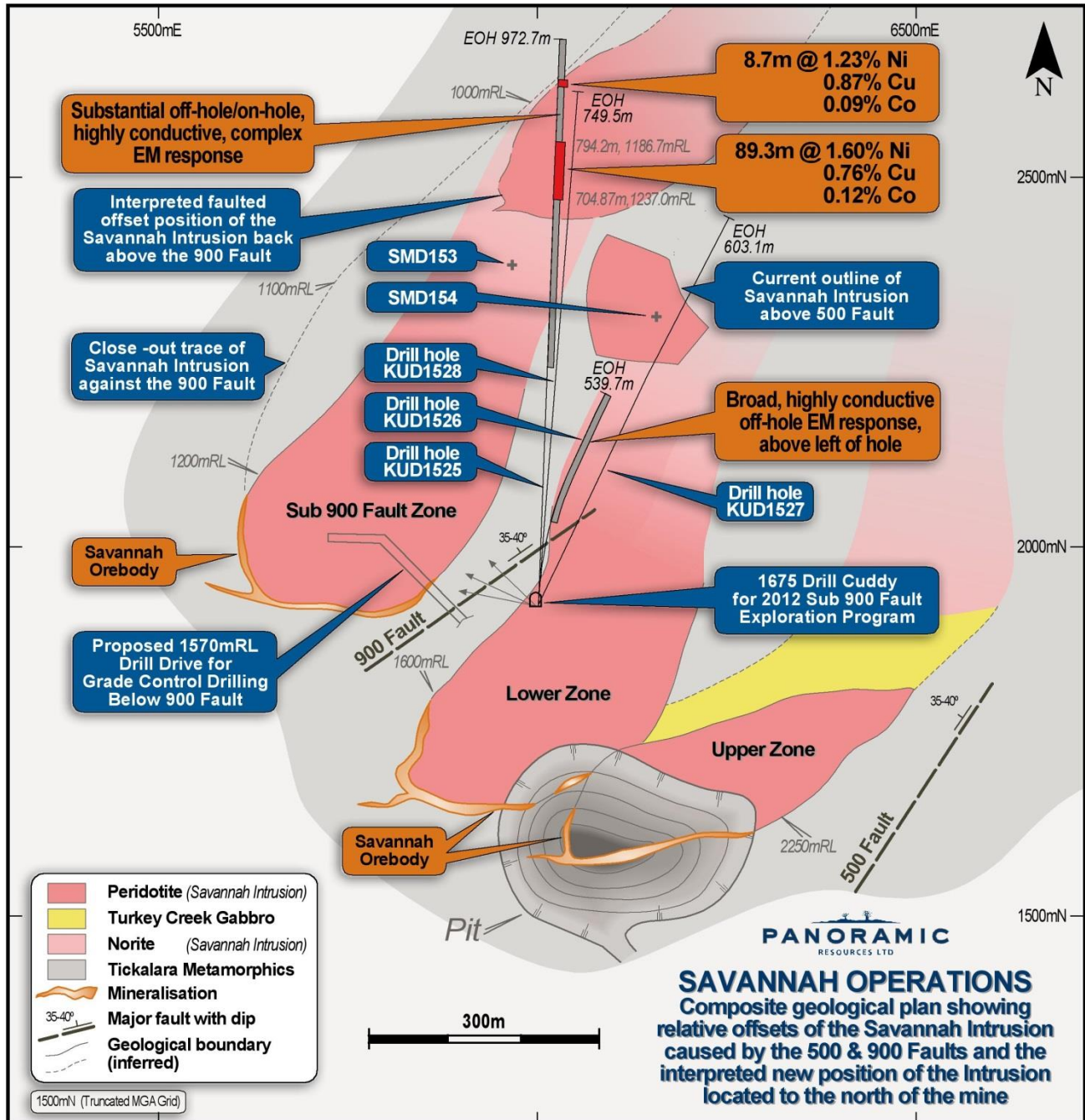
The Company has expanded into Platinum Group Metals (PGM) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley and the Thunder Bay North PGM Project in Northern Ontario, Canada.

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:
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Figure 1: Plan view of Savannah North showing position of underground and surface drill holes and respective EM surveys (where available)





Appendix 1 – JORC 2012 Disclosures

Table 2, Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 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. 	<ul style="list-style-type: none"> 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 Surface holes are cored from surface commencing with PQ, reducing to HQ and completed NQ2. Underground holes are drilled via a combination of HQ and NQ2 sized core For hole details including collar and setup details see Table 1 within the body of the main report. Interpretation of the EM data previously report (see ASX release 3 March 2014) was undertaken by Newexco Services Pty Ltd in Perth.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All assay intersections for the Savannah North Project are reported based on a weighted average grade for the intersection 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	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> The geometry of the mineralisation thus far reported of the savannah North Project with respect to the drill holes has not yet been established. All intersection lengths reported in this accompanying release are down-hole lengths and not true widths.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Based on the limited level of data currently available for the Savannah North Project area Panoramic believe 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Based on the fact that exploration results reported for the Savannah North Project to date are at an early stage, involving EM survey data, 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other exploration data is considered material to this release at this stage.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The exploration results reported herein form part of an ongoing exploration program by Panoramic to explore the Savannah North Project area following the discovery of significant "Savannah style" Ni-Cu-Co mineralisation in drill hole KUD1525. Details of the Company's plans for the Savannah North Project were outline in ASX announcement dated 28 February 2014. Further results will be reported when they become available.