

vision  
commitment  
results



29 April 2014

ASX: PAN

## Quarterly Report for the period ending 31 March 2014

### Significant Points

#### GROUP

- Safety – Lost Time Injury Frequency Rate of 7.69, five Lost Time Injuries reported
- Group Nickel Production – **5,731t Ni, a record quarter**
- FY2014 production guidance – **guidance increased to 21,500–22,000t contained nickel**
- Costs – Group payable cash costs down to A\$5.18/lb (inclusive of royalties), **US\$4.64/lb**
- Liquid Assets – **up 26% to \$67 million** at quarter end, cash balance building quickly

#### NICKEL

##### Savannah

- Production – **2,375t Ni in concentrate, up 18%**
- Milled tonnes – **record throughput of 200,719t (an annualised rate of ~800,000t)**
- Costs – **payable cash costs A\$4.81/lb Ni (inclusive of royalties), down 23%**
- Exploration – **discovery of Savannah North, a potential game changer at Savannah**

##### Lanfranchi

- Production – **3,356t Ni in ore, another excellent quarter**
- Costs – payable cash costs A\$5.48/lb Ni (inclusive of royalties)
- Exploration – drilling undertaken on targets down-plunge of Deacon, Lanfranchi, channel east of Deacon

#### GOLD

##### Gidgee

- Feasibility Study on track for delivery in the June 2014 quarter

##### Mt Henry (PAN 70%)

- Bankable Feasibility Study on track for delivery in the June 2014 quarter

#### PGM

##### Panton

- Work commenced on ore upgrading studies

##### Thunder Bay North

- Work progressed on the partnership strategy

#### CORPORATE

- Operating margins – increasing significantly due to the higher US\$ nickel price together with cost savings and productivity initiatives introduced across the business
- Hedging – additional US\$ nickel put options purchased, providing a floor price while retaining exposure to further price rallies



## Managing Director's Commentary

- **Safety and Environment** – five Lost Time Injuries recorded, LTIFR increased to 7.69 which is disappointing, albeit the majority of the injuries were soft tissue related. All personnel are focused on improving our safety performance and the LTIs recorded during the quarter were against the trend. We need to work harder in this area and a number of initiatives are underway.
- **Liquid Assets** – cash and receivables totalled \$67 million at quarter end, up \$13 million from 31 December. The Nickel Division generated a \$15 million operating margin (after Perth Office costs).

- **Nickel Division**

**Production** – Group nickel in concentrate/ore was 5,731t, up 6% and a quarterly production record. Ore milled at Savannah was above budget and 12% higher than the previous quarter, resulting in record mill throughput. At Lanfranchi, another excellent quarterly production result was achieved.

Based on the Group quarterly nickel production record, the FY2014 production guidance has been increased again to 21,500-22,000t of contained nickel in concentrate/ore.

**Costs** – the average Group payable unit cash cost dropped 2% quarter-on-quarter to A\$5.18/lb, primarily due to the record Group nickel production and lower aggregate site costs at Savannah.

- **Gold Division**

**Strategy** – the strategy with the gold assets is to finish both Feasibility Studies and review the economics of both projects with particular focus on capital and operating cost assumptions, development and operating risks, funding options and the US\$ gold price and US\$/A\$ FX outlook. Work is progressing well on the feasibility studies, with both due for completion during the June 2014 quarter.

- **PGM Division** – planning commenced on test work of Panton drill core samples, designed to determine if it can be upgraded prior to milling. If successful, this could lead to a higher grade mill feed. Limited work was undertaken at Thunder Bay North due to budgetary constraints. Our strategy remains to find a strategic partner for our PGM assets.
- **Exploration** – the Group's exploration program is heavily focussed towards adding mine life at both nickel operations.

- *Savannah* – the first hole of the 2014 drilling program to test north of the mine and above the 900 Fault intersected significant "Savannah-Style" mineralisation, since named the Savannah North discovery. **The Savannah North discovery could be a game changer for the Company in relation to potential mine life extension at Savannah.**

- *Lanfranchi* – exploration to target known and potential new mineralisation and to test high priority EM targets continues.

- **Corporate** – one of the major priorities is to make sustainable cost savings and productivity improvements across our business. Initiatives include:

- Building a Sustainable Business – GPR Delher continues to assist us with improving our business systems and procedures. Their involvement is having a positive impact at both nickel operations and the Perth Office.

- Major Contracts/Suppliers – all supply contracts and input costs continue to be reviewed and some significant cost reductions have secured.

- Corporate costs – we are continuing to identify ways to reduce the cost of managing the business.

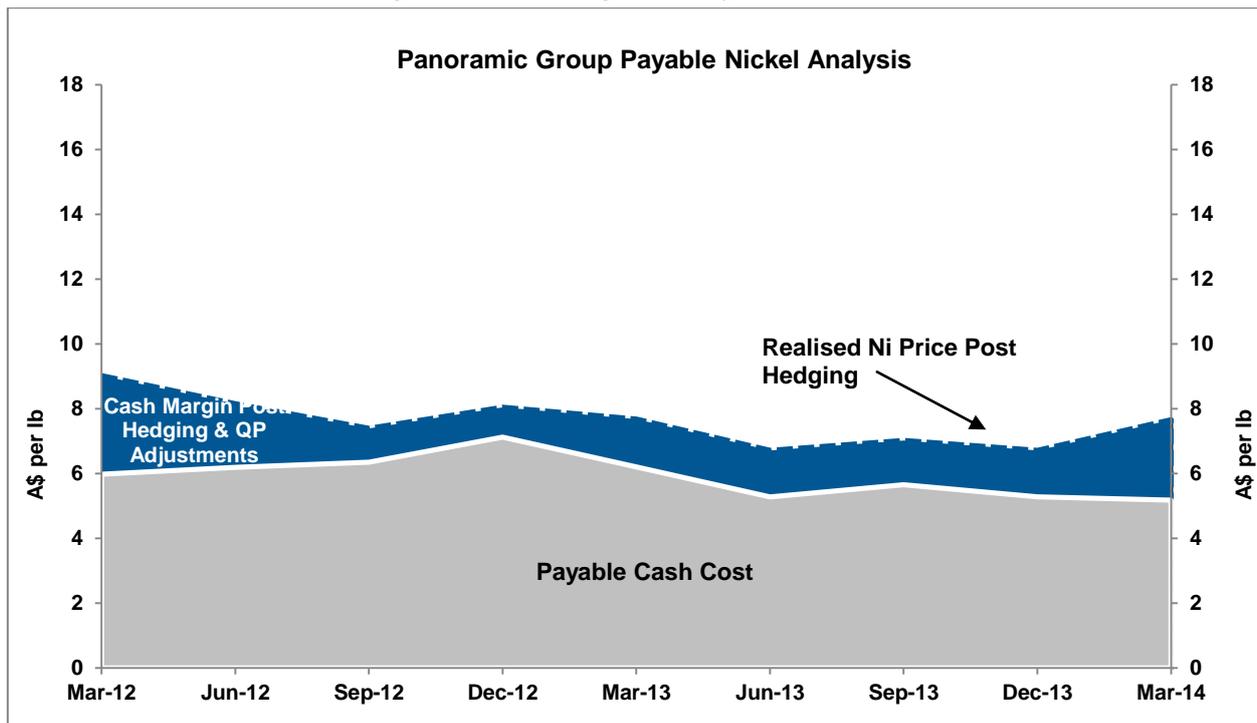
**Hedging** – the Company has taken advantage of the rally in the nickel price and purchased 1,150t of US\$ nickel put options, providing a floor price while allowing exposure to further price increases. Some protection against a rise in the A\$ above US\$0.95 has also undertaken with US\$:A\$ FX put and call options.



## 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 March 2012 quarter, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period pricing adjustments).

**Figure 1 – Cash Margin and Payable Cash Costs**



**Table 1 – Group Nickel Production and Unit Costs**

	Units	Savannah 3mths ending 31 Mar 2014	Lanfranchi 3mths ending 31 Mar 2014	Total Group 3mths ending 31 Mar 2014	Total Group Previous Qtr Dec 2013
Ore Mined	dmt	203,133	134,340	337,473	284,147
Average Mined Nickel Grade	%	1.37	2.50	1.82	2.03
Nickel in Ore Mined	dmt	2,786	3,356	6,142	5,767
Nickel in Concentrate/Ore	tonnes	2,375	3,356	5,731	5,399
Copper in Concentrate/Ore	tonnes	1,525	285	1,810	1,477
Cobalt in Concentrate/Ore	tonnes	118	-	118	105
<b>Costs Per Pound Payable Nickel</b>					
Mining	A\$ per lb	3.13	3.39	3.27	3.22
Milling	A\$ per lb	1.55	-	0.70	0.73
Administration	A\$ per lb	1.32	0.51	0.87	0.95
<b>Payable Operating Cash Costs (Mine Gate)</b>	<b>A\$ per lb</b>	<b>6.00</b>	<b>3.90</b>	<b>4.84</b>	<b>4.90</b>
Haulage	A\$ per lb	0.26	0.20	0.23	0.26
Port Charges/Shipping	A\$ per lb	0.28	-	0.13	0.13
Ore Treatment	A\$ per lb	-	1.28	0.70	0.58
Net By-product Credits	A\$ per lb	(2.21)	(0.20)	(1.10)	(0.92)
Royalties	A\$ per lb	0.48	0.30	0.38	0.33
<b>Total Payable Operating Cash Costs<sup>(a)</sup></b>	<b>A\$ per lb</b>	<b>4.81</b>	<b>5.48</b>	<b>5.18</b>	<b>5.28</b>
<b>Total Payable Operating Cash Costs<sup>(b)</sup></b>	<b>US\$ per lb</b>	<b>4.31</b>	<b>4.91</b>	<b>4.64</b>	<b>4.90</b>

(a) Group capital development cash cost for the quarter was A\$0.24/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 March 2014 quarter RBA US\$/A\$ settlement rate of US\$0.8967 (Average December 2013 quarter exchange rate was US\$0.9279).

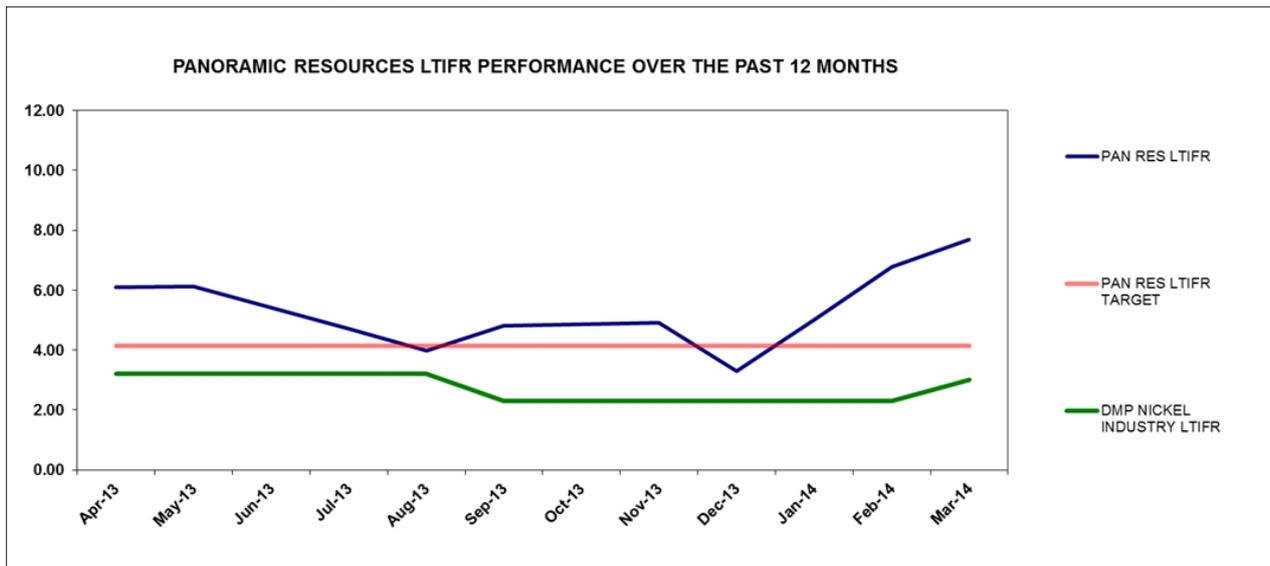


## Safety

There were five Lost Time Injuries (LTIs) recorded during the quarter. Given that four of the five LTIs were associated with strains, sprains or trips while performing maintenance work, the Company is currently reviewing systems and procedures throughout the maintenance departments at both nickel operations. The “Back to Basics” safety process continued with focus in raising employee awareness of hazards and risks and in encouraging proactive safety behaviours.

The 12 month moving average Group LTI Frequency Rate (LTIFR) increased over the quarter to 7.69. Figure 2 shows the Group LTIFR and the recently published 2012/13 WA Nickel Industry Average LTIFR of 3.00 from the WA Department of Mines and Petroleum (DMP).

**Figure 2 – Group Safety Statistics (12 month rolling average)**



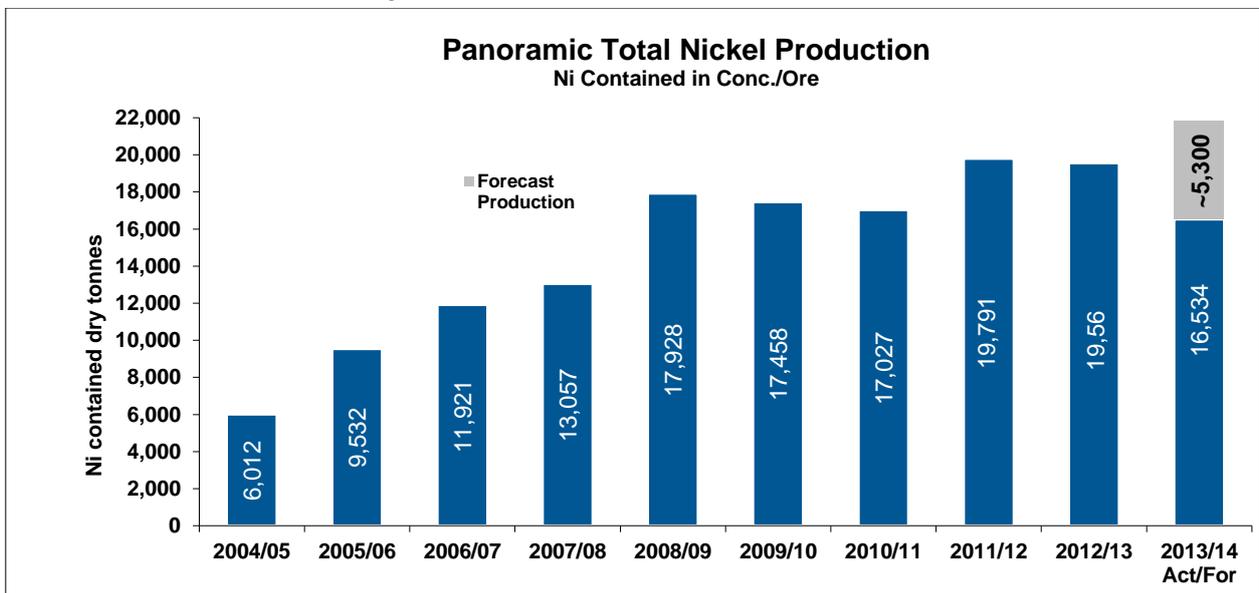
## Environment

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

## Nickel Division Production – Actual & Forecast

The Nickel Division produced 5,731t Ni contained in concentrate/ore, which was a record quarter. As a result of this performance, the FY2014 Group nickel production guidance has been increased again to 21,500-22,000t Ni contained, which would be a new annual production record.

**Figure 3 – Actual and Forecast Nickel Production**





## Nickel – Savannah Project

### General

The Savannah Project produced 2,375t Ni, 1,525t Cu and 118t Co contained in concentrate. **Ore tonnes milled was up 12% on the previous quarter, a new quarterly throughput record and the first time the mill has achieved an annualised ore treatment rate above 800,000 tonnes.**

Four concentrate shipments with a combined 2,303 tonnes of contained nickel were exported to China. As at 31 March 2014, there was a significant inventory of concentrate at Wyndham containing 556 tonnes of nickel waiting to be shipped.

**Table 2 – Savannah Project Operating Statistics**

Area	Details	Units	3 mths ending 31 Mar 2014	3 mths ending 31 Dec 2013	2013/14 YTD	2012/13 Full Year
<b>Mining</b>	Ore mined	dmt	203,133	179,875	577,292	689,551
	Ni grade	%	1.37	1.32	1.32	1.29
	Ni metal contained	dmt	2,786	2,377	7,592	8,873
	Cu grade	%	0.80	0.70	0.74	0.67
	Co grade	%	0.06	0.06	0.06	0.06
<b>Milling</b>	Ore milled	dmt	200,719	179,127	572,967	686,739
	Ni grade	%	1.36	1.30	1.31	1.29
	Cu grade	%	0.80	0.70	0.74	0.67
	Co grade	%	0.06	0.06	0.06	0.06
	Ni Recovery	%	86.7	86.5	86.8	87.1
	Cu Recovery	%	94.7	94.6	95.1	96.0
<b>Concentrate Production</b>	Co Recovery	%	89.2	89.7	89.5	89.9
	Concentrate	dmt	33,070	28,110	90,351	100,615
	Ni grade	%	7.18	7.15	7.22	7.66
	Ni metal contained	dmt	2,375	2,009	6,526	7,703
	Cu grade	%	4.61	4.22	4.47	4.42
	Cu metal contained	dmt	1,525	1,186	4,040	4,443
	Co grade	%	0.36	0.37	0.36	0.38
<b>Concentrate Shipments</b>	Co metal contained	dmt	118	105	327	382
	Concentrate	dmt	32,027	27,739	89,192	94,680
	Ni grade	%	7.19	7.23	7.27	7.56
	Ni metal contained	dmt	2,303	2,005	6,481	7,158
	Cu grade	%	4.67	3.95	4.40	4.32
	Cu metal contained	dmt	1,497	1,097	3,922	3,989
	Co grade	%	0.35	0.38	0.36	0.38
	Co metal contained	dmt	113	107	324	360

### Savannah North

On 18 February 2014, the Company announced the discovery of the Savannah North zone of mineralisation, located approximately 650m to the north and 300m below the current depth of the Savannah mine decline. Subsequent drilling from surface and underground and interpretation of down-hole electromagnetic (“EM”) surveys from that drilling support the potential for a **large footprint of “Savannah magmatic breccia style” Ni-Cu-Co mineralisation north of the existing mine.** An update on the Savannah North drilling program is given in the Exploration Section of this report.



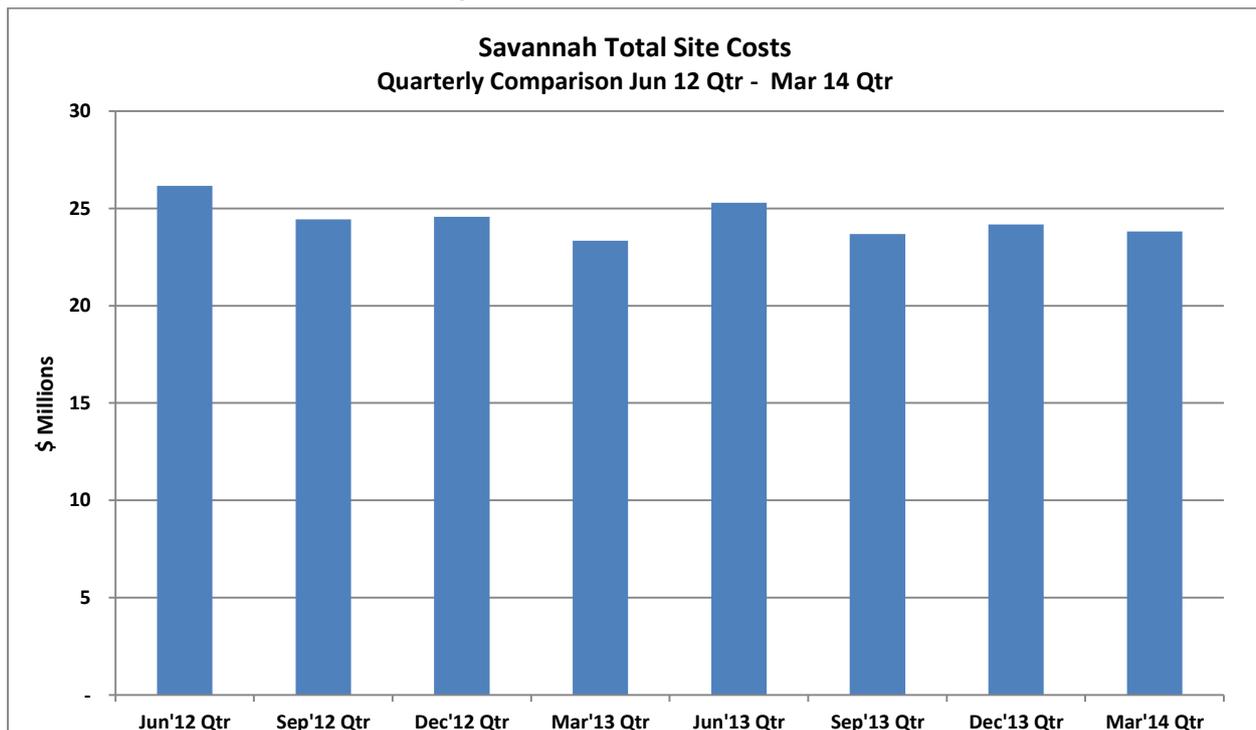
*Photo 1 – Savannah North Project – Surface Rig (one of three rigs working in the area)*



**Costs**

Total site costs of \$23.8 million, including operating and capital, were down on the previous quarter (\$24.2 million), while the higher nickel production resulted in a 23% decrease in the average payable unit cash cost (including royalties) to A\$4.81/lb.

**Figure 4 – Savannah Total Site Costs**





## Nickel – Lanfranchi Project

### General

The Lanfranchi Project produced 134,340 tonnes of ore at 2.50% Ni for 3,356 tonnes Ni contained. Ore mined was up 29%, as production reverted to mining predominantly from the Deacon orebody following rectification work on the paste plant late in 2013. Mining from Deacon, instead of from the higher grade Lanfranchi orebody, resulted in a lower average mined nickel grade.

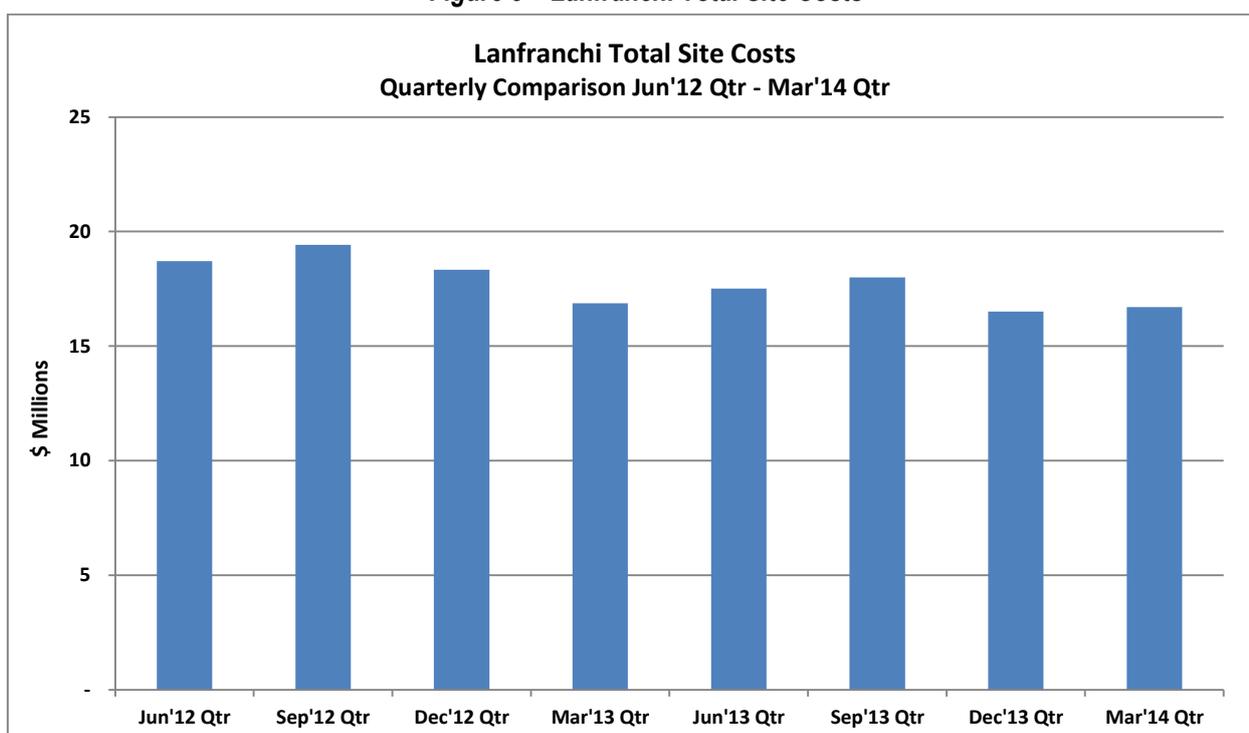
**Table 3 – Lanfranchi Project Operating Statistics**

Area	Details	Units	3mths ending 31 Mar 2014	3mths ending 31 Dec 2013	2013/14 YTD	2012/13 Full Year
<b>Mining</b>	Ore mined	dmt	134,340	104,272	372,583	520,523
	Ni grade	%	2.50	3.25	2.69	2.28
	Ni metal contained	dmt	3,356	3,390	10,008	11,858
<b>Ore Delivered</b>	Cu grade	%	0.21	0.28	0.23	0.20
	Ore delivered	dmt	136,994	102,119	375,702	518,662
	Ni grade	%	2.52	3.17	2.67	2.28
	Ni metal contained	dmt	3,459	3,237	10,021	11,801
	Cu grade	%	0.21	0.28	0.23	0.20

### Costs

Total site costs of \$16.7 million, including operating and capital, were up marginally on the previous quarter (\$16.5 million). The average mined nickel grade of 2.50%, as per budget, resulted in an average payable unit cash cost (including royalties) of A\$5.48/lb.

**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.

## Base Metal Exploration

### FY2014 Exploration Programs

The principal aim of the Group's exploration programs is to **add mine life at both nickel operations**. A number of targets have, and are being tested, with the majority of work on near mine nickel exploration. A significant portion of the funds received from the Capital Raising in November and December 2013 is earmarked to be spent on these exploration programs.

### Savannah & East Kimberley Regional

#### Savannah

In early 2014, the Company began a drill program to test a structural model that predicts the faulted repetition of the Savannah orebody is located back above the 900 Fault to the north of the Savannah mine. Four “proof of concept” underground diamond drill holes were completed from the 1675 drill cuddy during the quarter to test the model. **The first drill hole of this program (KUD1525 – drilled on section 6000mE) intersected significant ‘Savannah Style’ magmatic breccia mineralisation (“Savannah North”) at ~705m down hole between the 900 and 500 Fault structures (refer ASX releases of 18, 19 and 28 February 2014). The initial discovery zone of mineralisation in drill hole KUD1525 was 89.3m @ 1.60%Ni, 0.76% Cu and 0.12 Co.**

The second hole of the program (KUD1526 – section 6000mE) was targeted to locate the 900 Fault Structure, midway between the 1675 drill cuddy and the KUD1525 Savannah North intersection. The third (KUD1527) and fourth (KUD1528) ‘proof of concept’ holes were drilled in search of the Savannah Intrusion above the 500 Fault structure. Both holes intersected peridotite lithologies containing disseminated sulphide mineralisation similar to the Savannah Intrusion. At this stage, it is uncertain whether these mineralised peridotites relate to the Savannah Intrusion or to the North Olivine Gabbro Complex (“NOG”). Electromagnetic (“EM”) surveys were completed on all four “proof of concept” holes during the quarter. All four EM surveys identified significant responses and interpretation of the data is ongoing.

Following completion of the four “proof of concept” holes, the underground rig commenced a program of follow-up “daughter” holes about the initial Savannah North (KUD1525) intersection. Drill hole KUD1525A was drilled on section 6000mE above KUD1525 (*Figure 8*) and intersected 1.8m @ 1.72% Ni on the contact of the Savannah Intrusion at a depth of 571m. Drill hole KUD1525B was drilled off-section to the east and intersected **several significant zones of mineralisation; the best zones being 33.7m @ 1.56% Ni (including 25.7m @ 1.79% Ni) from 657m, 7.96m @ 1.06% Ni from 715.1m and 4.4m @ 2.04% Ni**. The broader interval is located 75m east and 80m above the main KUD1525 intersection. Drill hole KUD1525C has commenced and is designed to test an off section area approximately 60m to the west and 40m down-dip of the initial Savannah North discovery in KUD1525.

After the initial Savannah North discovery (KUD1525), two surface drill rigs were mobilised to site to drill a series of broadly spaced surface holes to better understand the broader geological and structural relationships of the Savannah North Project area. Three surface holes (SMD153, 154 and 155) have been completed to date. The first surface drill hole (SMD153) targeted an off-hole EM anomaly identified in the KUD1525 EM survey (*Figures 7 and 8*). The centre of the EM anomaly was positioned 120m south, 70m west and 120m above the KUD1525 intersection. Drill hole SMD153 was collared within the North Olivine Gabbro complex (“NOG”) and continued in the NOG until 1,038m down hole where it passed through a thin zone of Tickalara Metamorphics before entering a broad interval of Turkey Creek Gabbro, located predominantly between the 500 and 900 Faults. The hole was terminated at 1,345m below the 900 Fault, within the fractionated upper part of the Savannah Intrusion.

The NOG rock types encountered in SMD153 became increasingly olivine rich after a depth of 703m. Fine grained, disseminated sulphide mineralisation appeared by 910m and became a consistent 2-5% (by volume) by 970m. A chilled margin zone to the NOG was encountered between 1,025 to 1,038m and returned a low-grade mineralised intersection of 7.0m @ 0.50% Ni, 0.21% Cu and 0.02% Co. Assays for the broader zone of disseminated mineralisation above the contact zone are still pending.



**Figure 7: Plan View of Savannah North Project Area showing position of underground and surface drill holes**

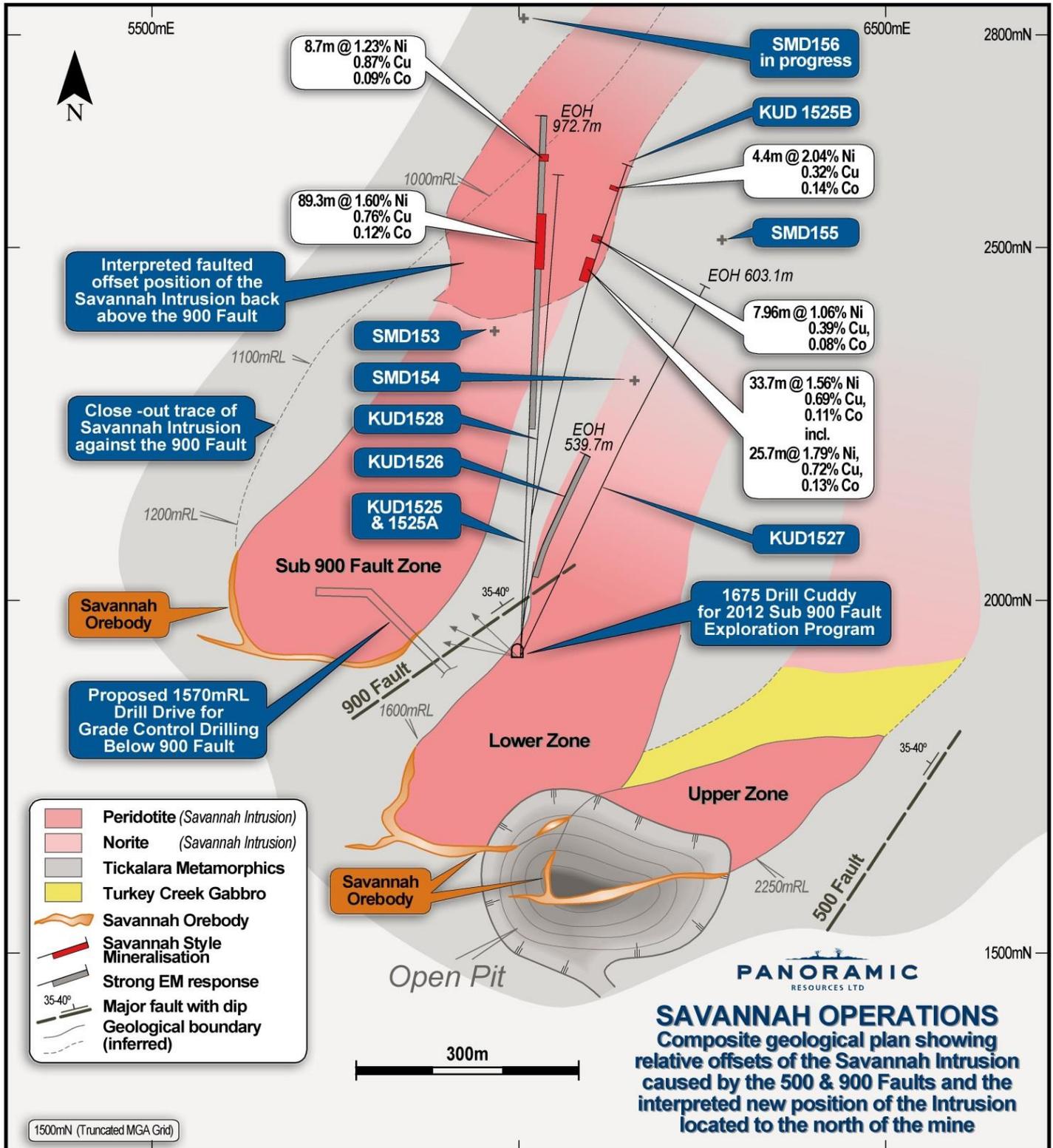
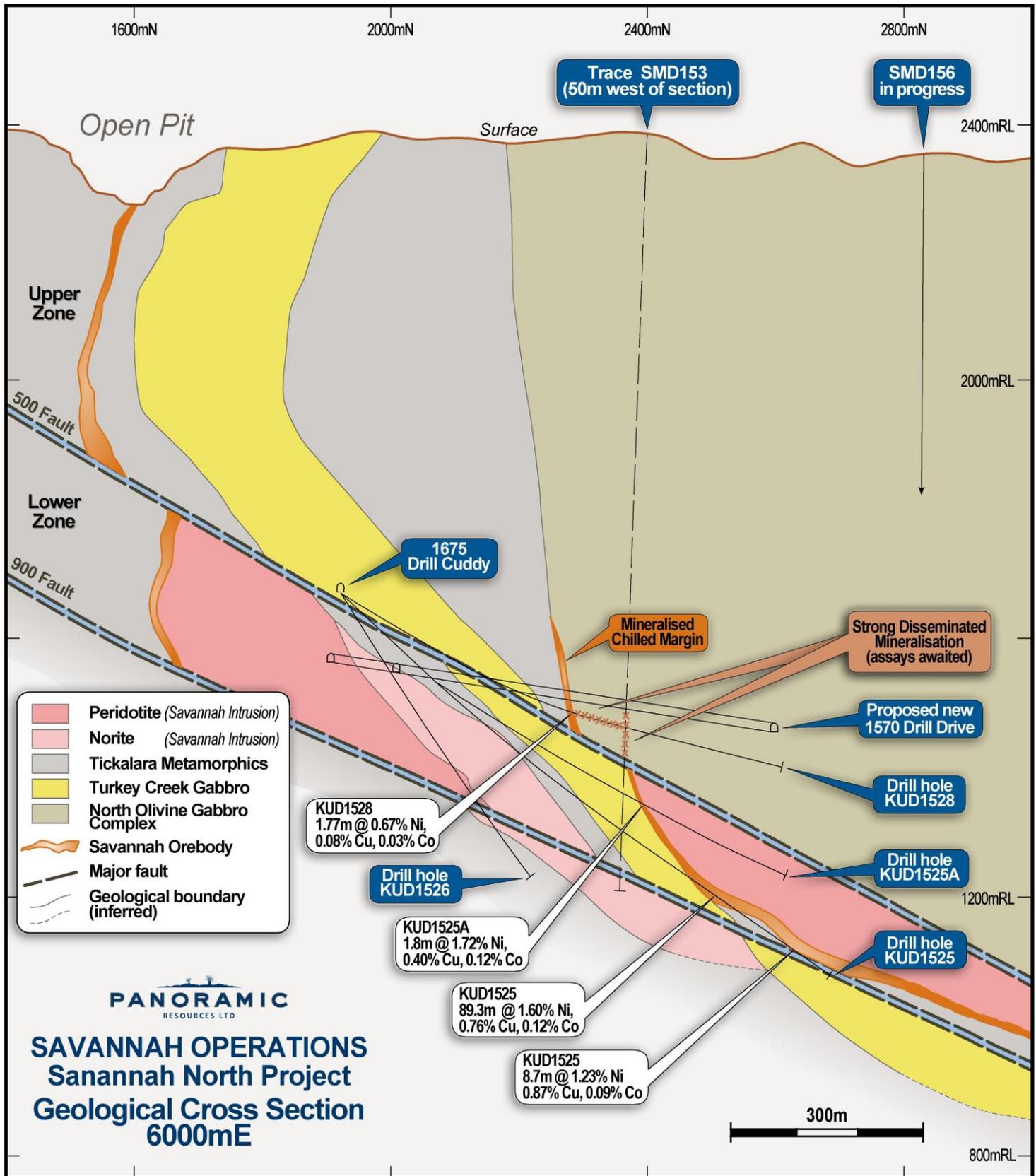




Figure 8: Cross Section View (6000mE) showing interpreted position of Savannah North Project mineralisation





**The disseminated mineralisation encountered in SMD153 is not sufficient to explain the strong off-hole EM response in KUD1525, nor for the strong EM response subsequently identified in SMD153. Further drilling and EM surveying is planned to build a better understanding of the geological structure in the area.**

The other two surface holes completed were drilled to the east of section 6000mE and, similar to drill hole SMD153, intersected increasingly more olivine rich rock types and disseminated sulphide mineralisation at depth. Assays for these zones are still pending and the down-hole EM ("DHTEM") surveys on each hole will be completed over the next few days.

As announced in the 28 April 2014 ASX release, **the mineralisation intersected in the NOG by the three surface holes and potentially also in KUD1527 and 1528 is highly significant and demonstrates for the first time that the NOG is a mineralised intrusion similar to the Savannah Intrusion. Importantly, this opens up an entirely new prospective exploration area at Savannah.**

The underground drill rig will continue to target mineralisation about the initial discovery hole (KUD1525). Preliminary planning for a new exploration drill drive is in progress. The drive will extend off the 1570 Drill Drive that is currently being developed. While the final design and position of the Drill Drive is yet to be finalised and is subject to ongoing drill results, initial planning indicates that 600- 800m of development will be required to establish the drive. Initial indications suggest that this drive could be completed within the December quarter 2014, at an estimated cost of less than \$4 million.

The Company acknowledges the Western Australian Government co-funding drilling grant of \$150,000 awarded to Savannah to assist with the Savannah North surface drilling program. The Savannah North discovery has been widely reported and has been acknowledged by the industry with the Company recently winning the "Discovery of the Year" Award at the 2014 Asia Mines and Money Conference in Hong Kong.

A summary of assay results received to date and JORC 2012 compliance tables for the information reported above is detailed in Appendix 1.

## **East Kimberley JV (EKJV) (Panoramic ~69% or 80%)**

No field activities were undertaken on the East Kimberley JV.

## **Lanfranchi**

Exploration activities at Lanfranchi are currently focussed on:

- down-plunge of the Lanfranchi orebody, where the potential for high nickel grades is very promising;
- up and down-plunge of the new Jury-Metcalf Resource;
- down-plunge of Deacon, targeting the strong electromagnetic (EM) plate identified from previous drilling;
- east of Deacon, targeting what is potentially a new channel of mineralisation; and
- the Tramways Overturned Dome, targeting this prospective area with surface drilling and EM surveys.

Drill results received during the quarter and JORC 2012 compliance tables for the reporting of the Lanfranchi exploration results detailed below is shown in Appendix 2.

## **Potential new Mineralised Channel east of Deacon**

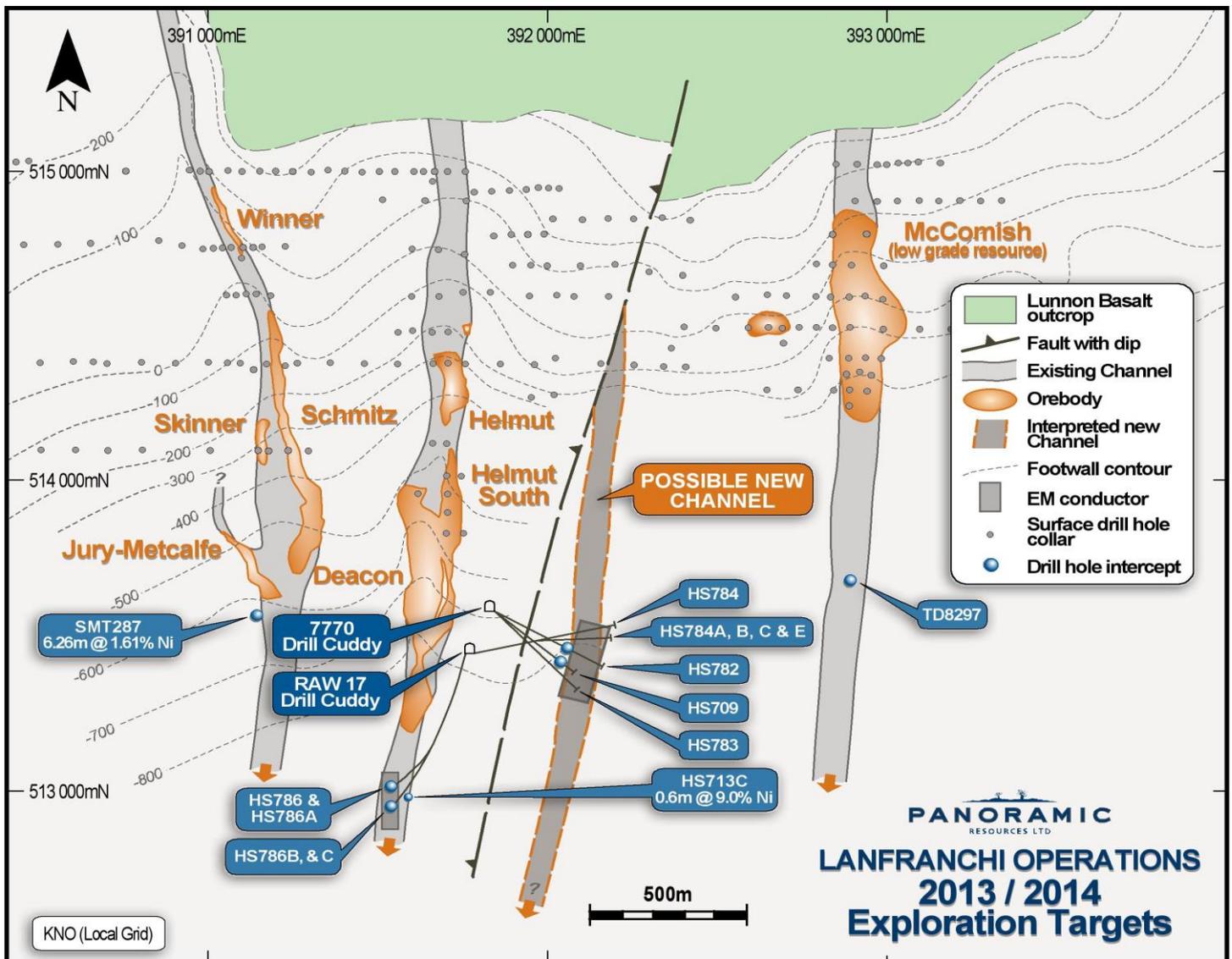
Testing of the potential new channel target to the east of Deacon continued during the quarter (*Figure 9*). Drill holes HS784D and HS784E were completed and drill hole HS784C was abandoned short of its target. **The best results were in HS784E which returned 4.51m @ 1.93% Ni from 393.4m, 3.16m @ 1.09% Ni from 407.6m and 5.48m @ 1.24% Ni from 418.3m.** The greater abundance of sulphide mineralisation intersected in HS784E is encouraging and the Company remains optimistic about the East Deacon channel target, given the abundance of "channel facies" lithologies, low tenor sulphide mineralisation and associated strong EM responses in the area. Work on the area has been temporarily suspended in order to review the work completed to date and to devise better drilling options for testing of this promising target.

## **Schmitz/Jury-Metcalf**

No activity during the quarter.



**Figure 9 – Plan View showing potential new channel feature located to the east of Deacon**



### Deacon down-plunge EM plate testing

Four drill holes (HS786, 786A, 786B and 786C), targeting a strong EM conductor down-plunge of Deacon were completed during the quarter (Figure 9). The drill program results indicate the conductor is sourced by a thin zone of high tenor nickel sulphide mineralisation located on the basal contact between the Kambalda Komatiite and footwall Lunnon Basalt. **The better results were in HS786A and HS786B which returned 1.86m @ 3.56% Ni and 1.26m @ 3.98% Ni, respectively.** A complete summary of the drill results is contained in Table 1, Appendix 2.

### Lanfranchi down-plunge

A drill program to undertake a series of deep, platform EM holes down-plunge of Lanfranchi commenced towards the end of the quarter. The drill program and associated EM surveys are designed to identify more conductive (potentially better mineralised) areas below Lanfranchi for follow-up drilling. The first hole of the program, LAN334 has been completed at a depth of 617.7m and will be EM surveyed in the June 2014 quarter.

### McComish

A single surface drill hole (TD8297) was completed below the McComish Resource located to the east of Deacon (Figure 9). Drill hole TD8297 was drilled to a depth of 1,093m, intersecting minor patchy, low tenor sulphide mineralisation immediately above the Lunnon Basalt footwall contact. The best hole intervals were 0.49m @ 1.11% Ni from 1,070.4m and 0.49m @ 1.45% Ni from 1,072.6m. A subsequent DHTeM survey completed on the hole returned no significant anomalies. No further work is planned at McComish in 2014.



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

No activity was undertaken. There remain a further 17 drill targets to be tested in 2014.

## Drake Resources Exploration Alliance - Scandinavia

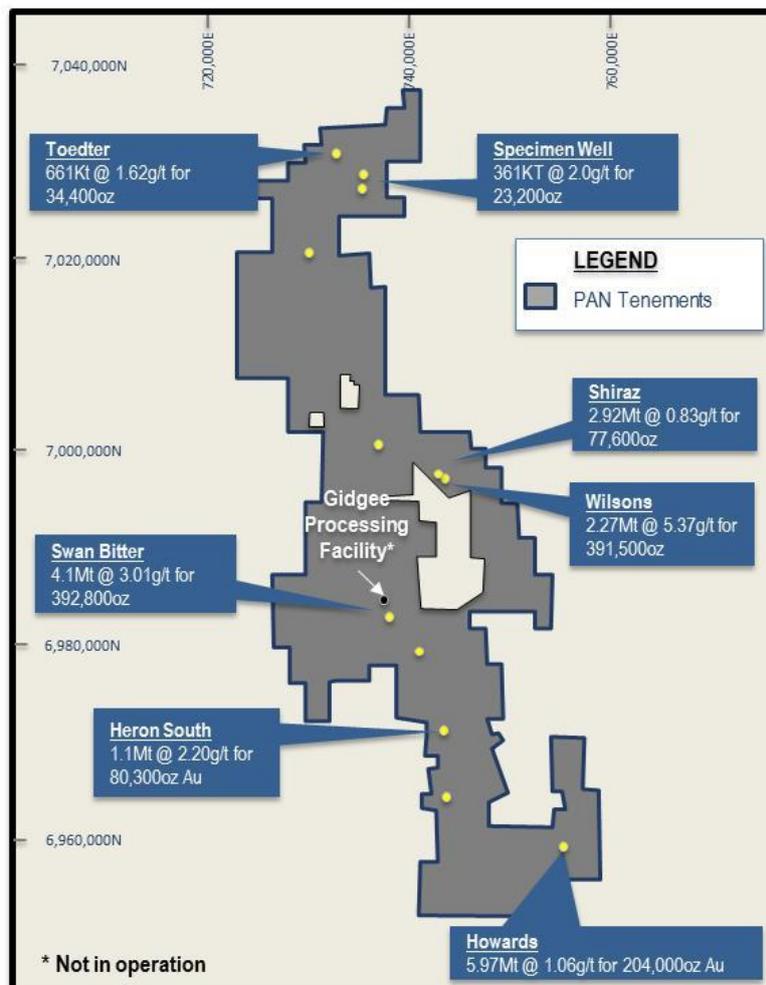
Panoramic and Drake Resources Limited have an alliance to identify, explore and develop base and precious metal opportunities across Scandinavia. Three base metal joint venture projects are currently active in Norway at Løkken, Sulitjelma and Hersjo/Nordgruva. During the quarter, the Company approved budgets to drill test five priority EM targets at Lokken and to drill an additional hole at Nordgruva to test a strong off-hole EM conductor identified in drill hole NKSD001, in September 2013.

## 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. The Company is currently conducting a Feasibility Study at Gidgee based on the Wilsons orebody (Figure 10).

**Figure 10 – Gidgee Tenement area highlighting the Mineral Resources**





## Feasibility Study

The Feasibility Study on the “Wilsons Only” gold concentrate option continued, including obtaining formal project approvals.

Treating the Wilsons ore will require a three stage crushing and grinding (to 75um), flotation to make a concentrate, magnetic separation circuit to remove a significant amount of pyrrhotite from the concentrate, then thickening, filtering and bagging of the concentrate for transportation and processing off-site.

The “Wilsons Only” Feasibility Study is due for completion in the June 2014 quarter.

## Gold – Mt Henry Joint Venture (Panoramic 70%, Matsa 30%)

Panoramic is undertaking a Bankable Feasibility Study (BFS) on the Mt Henry Gold Project. The Mt Henry Project tenements cover 135km<sup>2</sup> and are located south of Norseman in Western Australia.

### Bankable Feasibility Study

Work continued to advance the studies required for completion of the economic evaluation of the Project and to ensure that necessary statutory approvals can be obtained in a timely manner.

- *Environmental Baseline Studies* – work concentrated on demonstrating that pit lake formations at mine closure and final waste dumps can be managed to minimise the effects of any potentially acid forming (PAF) material generated during open pit mining.
- *Metallurgical testwork* – work was undertaken to optimise the grind size and gold recovery relationship in the treatment process. The recovery of a magnetite by-product is also being evaluated in conjunction with studies to understand the optimal conditions to maximise gold recovery.
- *Site planning* – detailed mine plans, designs and schedules have been produced and the site layout plans to locate infrastructure are continuing to evolve.

The Mt Henry Joint Venture is targeting the completion of the Mt Henry BFS in the June 2014 quarter.

### Mt Henry Regional Exploration JV (Panoramic 70%, Matsa 30%)

When the Company acquired a 70% interest in the Mt Henry Gold Project, Panoramic and Matsa Resources Limited (“Matsa”) formed a separate regional exploration Joint Venture to conduct greenfields exploration on other leases located within the Mt Henry tenement area. No further work was undertaken during the quarter and Panoramic withdrew from a large portion of the Mt Henry Regional Exploration JV tenements.

## Gold – WA Exploration Projects (ex-Magma)

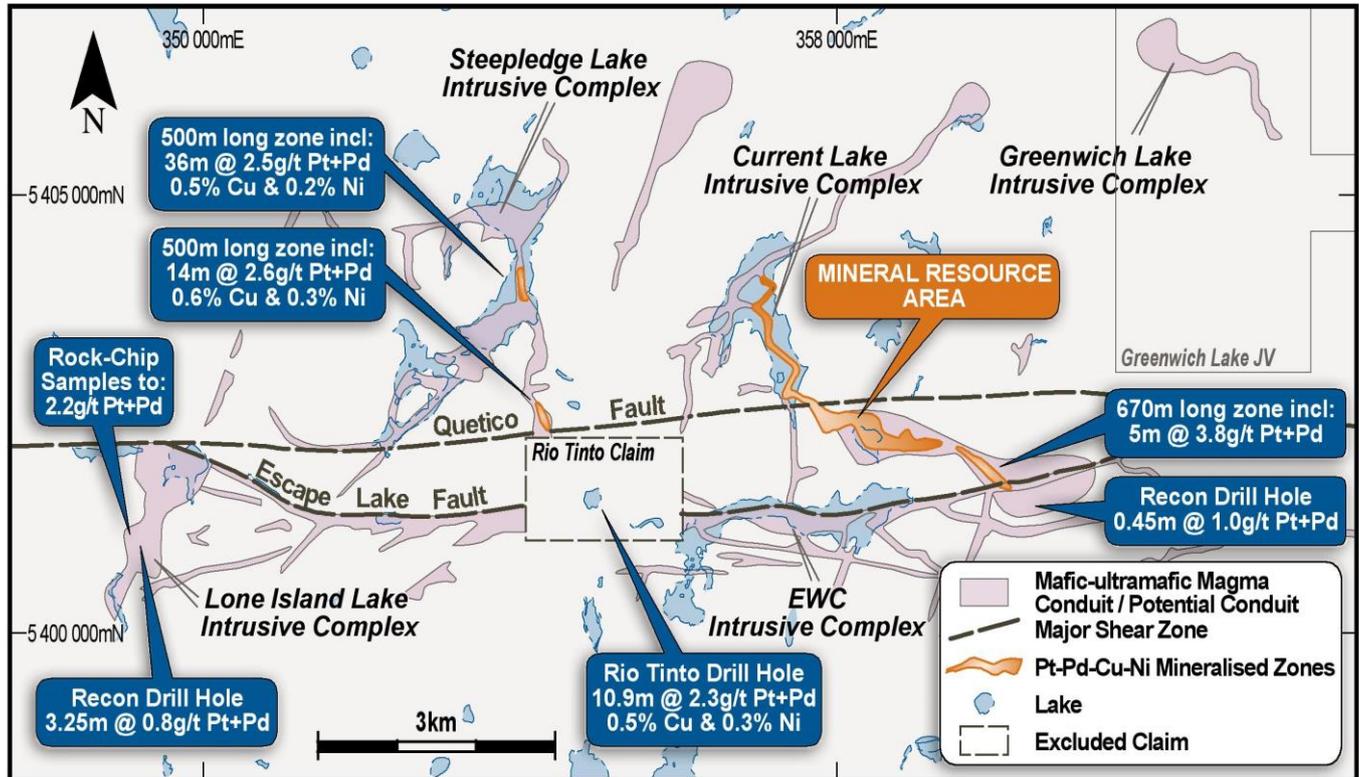
Subsequent to Auzex Exploration Limited withdrawing from the Lake Grace Joint Venture, Panoramic has also elected to withdraw from the project area, re-focusing its exploration efforts on near mine opportunities. Panoramic is also in the process of withdrawing from the relevant option agreements relating to the project area.

## 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 (*Figure 11*). The TBN Project Resource contains **10.4Mt at 1.13g/t Pt and 1.07g/t Pd for ~0.4Moz Pt and ~0.4Moz Pd** (*refer to the Company’s December 2013 Quarterly Report for disclosures on the Resource*) with exploration potential at depth and along strike. Since the Company acquired the project, work has primarily focused on optimising the process flowsheet. Limited regional field work was undertaken during the quarter due to budgetary constraints.



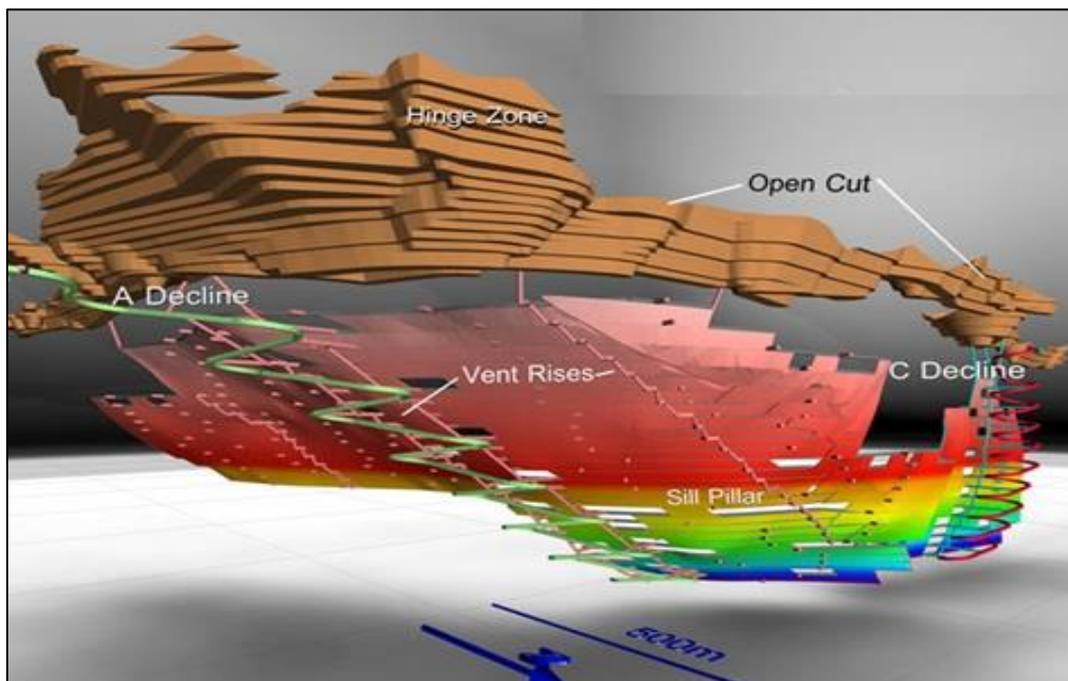
**Figure 11 – Thunder Bay North Project: Plan View of Mineral Resource Area**



## PGM – Panton Project

Panton is located 60km south of the 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 to the Company's December 2013 Quarterly Report for disclosures on the Resource) with exploration potential at depth and along strike.

**Figure 12 – 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 assessing the 2012 BFS Review to:

- better understand the geology;
- review the proposed flowsheet;
- determine if additional mining and processing trials need to be undertaken; and
- identify and qualify the possible synergies with our Savannah operations, 60km to the north.

The Company believes that it can add significant value to the Panton Project through the optimisation of mining and processing options and identifying synergies with the Savannah Project ie. power, processing, logistics and personnel. Planning has commenced on test work of Panton mineral samples ore designed to determine if it can be upgraded prior to milling. If successful, this could lead to a higher grade feed for milling.

No field activities were undertaken on the Panton Project during the quarter. Our strategy remains to find a strategic partner for both PGM assets.

## Corporate

### Liquid Assets & Debt

Cash on hand at the end of the quarter was \$41 million plus receivables of \$26 million, **for a total of \$67 million in current liquid assets. The operations, inclusive of Perth Office costs, generated a \$15 million operating margin in the quarter before net working capital movements.**

At 31 March 2014, Savannah had 556t Ni contained in stockpiled concentrate (valued at ~\$6 million) which was recognised as inventory and valued at cost. The sales revenue on this concentrate, which has since been shipped, will be booked in the June 2014 quarter.

Group finance leases on mobile equipment at 31 March 2014 totalled \$8.0 million.

### Cost Savings and Productivity Initiatives

While the Company's operating margins have increased significantly due to the higher US\$ nickel price, the Company remains committed to finding sustainable cost savings and productivity improvements across the business.

GPR Delher is continuing to assist the Company to implement business improvement strategies at both nickel mines and in the Perth Office.

### Hedging

During, or since the end of the quarter, the Company added the following hedging:

#### **Nickel**

- Purchased 600t of nickel put options at an average exercise price of US\$13,750/t (US\$6.24/lb) for delivery March to August 2014; and
- Purchased 550t of nickel put options at US\$15,250/t (US\$6.92/lb) for delivery April to December 2014. To partially offset the cost of the put options, 250t of nickel call options were sold at US\$19,000/t (US\$8.62/lb) for delivery August to December 2014.

#### **US\$:A\$ FX Rate**

- Purchased US\$57 million of currency put options at an average exercise US\$:A\$ FX rate of US\$0.9477 for delivery July to December 2014. To offset the cost of the put options, US\$57 million of currency call options were sold at an exercise US\$:A\$ FX rate of US\$0.88 for delivery over the same period.

At the current spot US\$ nickel price and based on forecast production (on a payable nickel basis), the Company is approximately 20% hedged (comprising all nickel puts) for the remainder of FY2014.

**Table 4 - Group Hedge Book – A\$ Mark-to-Market Valuation as at 31 March 2014**

Commodity	Mark-to-Market 31 Mar 2014
Bought US\$ Nickel Put Options	\$0.3 million
Sold US\$ Nickel Call Options	(\$0.1 million)
Bought A\$ Diesel Call Options	-
Sold A\$ Diesel Put Options	-
Bought US\$ Currency Put Options	\$0.4 million
Sold US\$ Currency Call Options	(\$0.3 million)
<b>Total Mark-to-Market</b>	<b>\$0.3 million</b>

**Table 5 – Group Hedge Book – Delivery Profile as at 31 March 2014**

Commodity	Quantity 31 Mar 2014	Average Price/Rate 31 Mar 2014
<b><u>Nickel -</u></b>		
<b>Bought Nickel Put Options</b> (delivery Apr 2014-Jun 2014)	825t	US\$14,129/t <b>US\$6.41/lb</b>
<b>Bought Nickel Put Options</b> (delivery Jul 2014-Dec 2014)	525t	US\$14,583 <b>US\$7.07/lb</b>
<b>Sold Nickel Call Options</b> (delivery to Aug 2014-Dec 2014)	250t	US\$19,000/t <b>US\$8.62/lb</b>
<b><u>Diesel -</u></b>		
<b>Bought A\$ Diesel Call Options</b> (delivery Apr 2014-Jun 2014)	400,000litres/mth	A\$0.88/litre
<b>Sold A\$ Diesel Put Options</b> (delivery Apr 2014-Jun 2014)	200,000litres/mth	A\$0.65/litre
<b><u>US\$:A\$ FX -</u></b>		
<b>Bought US\$ Put Options</b> (delivery Apr 2014-Jun 2014)	US\$12 million	US\$0.9550 FX
<b>Bought US\$ Put Options</b> (delivery Jul 2014-Dec 2014)	US\$57 million	US\$0.9477 FX
<b>Sold US\$ Call Options</b> (delivery Apr 2014-Jun 2014)	US\$12 million	US\$0.84875 FX
<b>Sold US\$ Call Options</b> (delivery Jul 2014-Dec 2014)	US\$57 million	US\$0.88 FX

**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 21,500 and 22,000t 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:

Peter Harold, Managing Director

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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 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.

## JORC 2012 Compliance Tables, Savannah Nickel Project

**Table 1- Tabulation of Savannah North Project Drill Hole Assay Results**

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Nickel Intercept	Cu (ppm)	Co (ppm)
KUD1525	396012.1	8081923.8	1678.5	-41.5	1.5	972.70	704.87 882.50	794.20 891.20	89.33m @ 1.60% 8.70m @ 1.23%	7630 8691	1217 899
KUD1525A	396012.1	8081923.8	1678.5	-41.5	1.5	828.00	570.70	572.50	1.80m @ 1.72%	4007	1190
KUD1525B	396012.1	8081923.8	1678.5	-41.5	1.5	836.50 and and and	657.00 708.83 730.82 797.90	690.70 724.50 732.30 802.30	33.70m @ 1.56% 15.67m @ 0.78% 1.48m @ 2.29% 4.40m @ 2.04%	6853 3974 7481 3189	1128 603 1718 1430
KUD1527	396013.1	8081923.7	1679.5	-11.9	18.0	603.10	364.97	366.67	1.70m @ 0.72%	6034	317
KUD1528*	396012.0	8081923.8	1678.9	-30.2	355.5	749.50	409.73	411.50	1.77m @ 0.67%	825	301
SMD153*	395921.8	8082401.1	2382.1	-87.7	117.8	1345.10	1026.37	1033.37	7.00m @ 0.50%	2145	240
SMD154**	396144.9	8082332.4	2362.1	-87.3	150.0	1186.90					
SMD155**	392395.6	8085916.6	2381.9	-67.4	65.4	1440.60					

**Notes:**

- Intervals are down-hole lengths, not true-width
- Parameters: 0.5% Ni lower-cut off, maximum internal waste 6.0m, minimum intercept 1.0m
- \* additional assay results to follow
- \*\* waiting on assay results



## Savannah – Table 1, Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Savannah deposit and surrounding exploration areas are typically sampled by diamond drilling techniques. Over 1500 holes have been drilled for a total in excess of 220,000m. The majority of holes were drilled from underground drill platforms.</li> <li>About the mine the drillhole spacing is a nominal 25x25m grid spacing over the extent of the mineralisation.</li> <li>All drillhole collars were surveyed using Leica Total Station survey equipment by a registered surveyor. Downhole surveys were typically performed every 30 metres using either "Reflex EZ Shot" or "Flexit Smart Tools".</li> <li>All diamond core is 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 typically involves pulverising the sample to 90% passing 75 µm followed by either a 3 or total 4 acid digest and analysis by either AAS or ICP OES.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>A mix of LTK60 and NQ2 sized diamond drilling has been used to obtain &gt;90% of the data in the mine database. Exploration holes are typically NQ2 size. Some RC drilling has been used historically for the upper part of the mine.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond core recoveries are logged and recorded in the database. Overall recoveries are &gt;99% and there are no apparent core loss issues or significant sample recovery problems.</li> <li>Depths checked against core blocks, regular rod counts, driller breaks checked by fitting core together.</li> <li>No relationship exists between sample recovery and grade</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All holes have been geologically logged in full. Geotechnical logging was carried out on all diamond drill holes for recovery and RQD. Number of defects (per interval) and roughness was carried out around the ore zones. Structure type, alpha angle, infill, texture and healing is stored in the structure table of the database.</li> <li>Logging of diamond core RC samples recorded lithology, colour, mineralisation, structural (DDH only) and other features. Core was photographed wet.</li> <li>All drill holes were logged in full.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Analytical core samples included a mix of full and sawn half core samples.</li> <li>All samples from core</li> <li>All core sampling and sample preparation followed industry best practice.</li> <li>QC involved the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC was inserted in most sample batches.</li> <li>Original versus duplicate assay results have always shown strong correlation due to massive sulphide rich nature of the orebody.</li> <li>Sample sizes are considered appropriate to represent the Savannah style of mineralisation.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Savannah Nickel Mine (SNM) standard analytical technique is a 3-acid digest with an AAS finish. The method best approaches total dissolution for most minerals. Exploration samples sent off-site are analysed using a 4-acid digest with either ICP OES or AAS finish (AAS for ore grade samples).</li> <li>No other analytical tools or techniques are employed.</li> <li>The onsite laboratory carries out sizing checks, uses internal standards, duplicates, replicates, blanks and repeats. A selection of roughly 10% of pulps was sent to external laboratories for repeat analysis and sizing checks. No bias has been identified.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling and sampling procedures at the SNM have been inspected by many stakeholders since the project began.</li> <li>Throughout the life of the mine, there have been several instances where holes have been twinned, confirming intersections and continuity.</li> <li>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.</li> <li>No adjustments have been made to assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All diamond drill hole collars were surveyed using Leica Total Station survey equipment by a registered surveyor. "Reflex EZ Shot" or "Flexit Smart Tool" was used for downhole surveys at approximately every 30m. Visual inspection in a 3D graphics environment using Surpac software failed to identify any obvious errors regarding the spatial position of drillhole collars or downhole surveys</li> <li>The mine grid is a truncated 4 digit (MGA94) grid system.</li> <li>Conversion from local grid to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000N</li> <li>Topographic control is of a high quality and is adequate for the resource estimation process</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Nominal drill hole spacing of 25m (easting) by 25m (RL)</li> <li>The mineralized domains delineated by the drill spacing show enough continuity to support the classification applied under the 2012 JORC Code.</li> <li>No sample compositing has been undertaken.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole orientation was largely perpendicular to the orebody with the exception of the western extent where drill platform positions allowed only for oblique intersections.</li> <li>No orientation sampling bias has been identified.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples transported to onsite lab by SNM staff. Samples sent off site are road freighted (Nexus transport) and tracked using spreadsheets onsite.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>



**Table 1, Section 2 - Reporting of Exploration Results**

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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 mine tenements.</li> <li>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 the Jinchuan Group in China.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Savannah underground diamond drill holes are typically NQ2 size, though some deep holes are commenced HQ size and then reduced. Deep surface holes are commenced PQ size, then reduced to HQ and eventually NQ2 size</li> <li>All core is orientated and photographed prior to cutting and sampling</li> <li>All intersection intervals are reported as down-hole lengths and not true widths</li> <li>All assays are typically performed on the Savannah onsite laboratory, otherwise by SGS Laboratories in Perth</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Weighted averages were calculated using parameters of 0.5% Ni lower cut-off, minimum reporting length of 1m and maximum internal waste of 7m.</li> <li>Cu and Co grades were determined by the defined Ni grade interval, ie they were not calculated independently.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>The geometry of the mineralisation reported herein with respect to the drill holes being reported has not been established.</li> <li>All intersection lengths reported in this accompanying release are down-hole lengths and not true widths.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the limited level of data currently available for this area at Savannah it was deemed that a simplified plan and section view showing the location of the exploration drill results in relation to the main areas of the SNM operation was appropriate.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the fact that exploration results reported herein are from several drill holes, located well away from other mine drill holes, the report is considered to be sufficiently balanced.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data is considered material to this release at this stage.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>The exploration results reported herein are for the Savannah North Project. Work is ongoing and further results will be reported if and when they become available.</li> </ul>



## Appendix 2 – JORC 2012 Compliance Tables, Lanfranchi Nickel Mine

**Table 1 – Tabulation of Lanfranchi Nickel Mine Drill Hole Assay Results**

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Nickel Intercept	Cu (ppm)	Co (ppm)	
HS782	392090.1	6513791.1	-772.4	-17.0	122.7	497.80	487.00	491.00	4.00m @ 1.03%	463	329	
							494.29	496.59	2.30m @ 1.10%	772	438	
HS784	392046.3	6513674.1	-819.1	-8.7	92.3	533.62	147.85	149.01	1.16m @ 1.10%	955	340	
							493.00	495.40	2.40m @ 1.12%	713	373	
HS784A	392046.3	6513674.1	-819.1	-8.7	92.3	542.61			NSI			
HS784B	392046.3	6513674.1	-819.1	-8.7	92.3	523.50			NSI			
HS784D	392046.3	6513674.1	-819.1	-8.7	92.3	545.26			NSI			
HS784E	392046.3	6513674.1	-819.1	-8.7	92.3	506.51	393.49	398.00	4.51m @ 1.93 %	2302	722	
								407.55	410.71	3.16m @ 1.09 %	1032	352
								413.00	414.17	1.17m @ 1.01 %	940	355
								418.31	423.79	5.48m @ 1.24 %	1065	717
HS786	392044.2	6513671.7	-817.3	-37.3	199.3	612.76	587.22	588.79	1.57m @ 1.65%	972	465	
HS786A	392044.2	6513671.7	-817.3	-37.3	199.3	610.13	594.74	596.60	1.86m @ 3.56%	1724	916	
							597.70	600.03	2.33m @ 1.33%	988	290	
HS786B	392044.2	6513671.7	-817.3	-37.3	199.3	688.90	679.81	681.07	1.23m @ 3.98%	13316	831	
HS786C	392044.2	6513671.7	-817.3	-37.3	199.3	707.20	703.50	704.80	1.30m @ 2.44%	693	622	
LAN334	390151.0	6513170.3	-339.0	-20.4	185.2	617.77			NSI			

**Notes:**

- Intervals are down-hole lengths, not true-width
- Parameters: 1.0% Ni lower-cut off, maximum internal waste 1.0m, minimum intercept 1.0m



## Lanfranchi – Table 1, Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All sampling for exploration and resource estimation purposes at the Lanfranchi Nickel Mine (LNM) is based on diamond drill core. Sample selection is based on geological core logging. Individual samples typically vary between 0.2m and 1.2m in length.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling at LNM is typically NQ2 or LTK60 size. Occasionally BQ and HQ core size holes have been drilled.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All recovered diamond core is metre marked by on site geologists; any core loss is determined and recorded as part of the geological logging process. Core recovery is typically 100 percent.</li> <li>No relationship exists between core recovery and grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All core is geologically and geotechnically logged to a standard appropriate for mineral resource estimation purposes. Core is logged from start to end of hole without gaps. Core photography is not undertaken. Drill holes are logged using Excel templates that are code restricted to ensure that only approved data can be entered. The Excel templates are then uploaded to the Lanfranchi SQL Server drill hole database via Datashed.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>All diamond core is cut using a clipper brick saw and half core sampled for assay. Quarter core samples are sent as part of the LNM QAQC process for check assaying. Sample intervals typically vary between 0.2m and 1.2m and are positioned as to not cross geological boundaries.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> </ul>	<ul style="list-style-type: none"> <li>All LNM drillhole samples are analysed by Kalassay Group's Kalgoorlie laboratory. The Laboratory process for LNM samples involves: Crush sample to &lt;3mm, pulverise to 90% passing 75um (lab blanks introduced and pulverised at this point). From the pulverised sample, a 0.2g assay aliquot is taken and weighed then</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<p>digested by 4-Acid digest and analysed by ICP-OES instrument. Laboratory QA/QC is performed on standards, blanks and duplicates. The LNM policy is to scrutinize the results for QA/QC standards and blanks when assay jobs are reported and to request re-runs if result are <math>\pm 1SD</math> from the expected value.</p> <ul style="list-style-type: none"> <li>No other geophysical or analytical tools have been used to estimate grade.</li> <li>Certified Reference Material (QAQC) samples are routinely inserted during all sampling at LNM. In addition samples are routinely sent for check analysis at a different Laboratory. The QAQC results indicate that the diamond core assays being used for resource estimation at LNM are a fair representation of the material that has been sampled.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intersections are calculated by mine geologists and verified/reported on a monthly basis by the Geology Manager.</li> <li>Twinning of drillholes is not performed at LNM</li> <li>Assay data are imported directly from the Kalassay assay files and QA/QC validated via Dashed to the LNM SQL drillhole database.</li> <li>No adjustment to assay data is made.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole collars are accurately surveyed for X,Y,Z and azimuth and dip by site Surveyors using "Total Station" control. Older holes may/may not have collar azimuth/dip measurements. Down-hole surveys are generally conducted using single shot or reflex multishot tools at 15m, 30m and every 30m thereafter.</li> <li>The LNM drill hole database contains both MGA94 and local mine grid (KNO) coordinates. All site geological and mine planning work is performed in the local KNO grid system.</li> <li>Conversion from KNO grid to MGA GDA94 Zone 51 is based on a two point transformation: 389084.61E, 513790.88N = 389351.47E, 6513980.38N 389044.77E, 513543.54N = 389313.70E, 6513732.77N</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>LNM resource estimation drill holes are typically drilled on a regular grid spacing that varies according to the size and consistency of the resource being drilled. Due to the consistent grade and low Coefficient of Variation of nickel mineralisation generally, resource definition drilling at LNM is more for volume estimation purposes than grade estimation.</li> <li>Data spacing is deemed to be sufficient for Mineral Resource estimation and reporting.</li> <li>No sample compositing is undertaken; all core samples are logged and analysed in full.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Underground drill sites are not always ideally positioned for resource definition drilling however no sampling orientation bias is evident. The Ni grade is typically very consistent within individual resource domains and therefore drill orientation is not a determinant for reliable grade estimation</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>All diamond core samples are taken directly from site to Kalassay for analysis via a local courier service. Sample security is considered adequate.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>All the LNM Mineral Resource estimates are audited by independent consultants BM Geological Services. Minor adjustments to model dimensions, geostatistical analysis and application of top-cuts (where required) and adjustments to search parameters have been made on occasions following this audit process.</li> </ul>

## Lanfranchi – Table 1, Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Lanfranchi Nickel Mine (LNM) is an operating mine secured by a contiguous block of 35 Mineral Leases, 1 mining Lease and 1 Prospecting Licence, covering the Tramways Dome 40km south of Kambalda in WA. All tenure is current and in good standing. Panoramic Resources Limited (Panoramic) has the right to explore for and mine all commodities within the tenements other than gold.</li> <li>The LNM is an operating mine with all statutory approvals and licences in place to operate. The mine operates under an off-take agreement to mine and deliver nickel ore to BHP-Billiton's Nickel West Kambalda concentrator.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The LNM and tenements were purchased in JV by Panoramic in 2004 from WMC Resources Ltd. Panoramic secured 100% of the LNM in and tenements in February 2009. WMC had explored the region and held the Lanfranchi Tramways tenements since 1967. WMC commenced mining at the LNM in 1976.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The LNM mines nickel ores from several "classic" Kambalda style, komatiite hosted, nickel sulphide deposits about the Tramways Dome.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Panoramic routinely drills surface and/or underground exploration holes about the Tramways Dome in search of additional nickel sulphide mineralisation. Details of the LNM exploration holes mentioned in this accompanying document can be found in Table 1, Appendix 2.</li> <li>Although documented herein, the results are not considered material to the ongoing future of the mine or its current Resource and Reserve position.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Weighted averages were calculated using the Intercept Calculator within the DBMS DataShed. Parameters used were 1.0% lower cut-off, minimum reporting length of 1m, maximum internal waste of one consecutive metre.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect</li> </ul>	<ul style="list-style-type: none"> <li>All the LNM exploration drilling is conducted and reported on according to the KNO local grid system. Where the geometry of the mineralisation is known the estimated true width of mineralisation will be reported. Where the mineralisation geometry is not sufficiently known the down-hole intersection length of mineralisation is</li> </ul>



Criteria	JORC Code explanation	Commentary
	(eg 'down hole length, true width not known').	reported, and clearly stated to be the case.
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the low material nature of the LNM exploration results being reported on, the diagram in the body of the accompanying report is considered sufficiently appropriate.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the very low material nature of the LNM exploration results being reported on in the accompanying document, the report is considered to be sufficiently balanced.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data is considered material to this report at this stage.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Routine exploration drilling is ongoing at the LNM. The results reported herein will have no material effect on the planned exploration programs currently underway at the LNM.</li> </ul>