

29 October 2014

## Quarterly Report for the period ending 30 September 2014

### Significant Points

#### GROUP

- **Safety - no Lost Time Injuries**
- Group Nickel Production - **5,178t Ni, on budget**
- FY2015 production guidance - **20-21,000t of contained nickel maintained**
- 30 June 2014 Resources and Reserves Tables released
- Costs - Group payable cash costs (inclusive of royalties) of **US\$5.43/lb (A\$5.87/lb), C1 Cash Cost A\$3.56/lb**
- Liquid Assets - **\$90 million**

#### NICKEL

##### Savannah

- Production - **2,116t Ni in concentrate, up 8%**
- Costs - payable cash costs A\$5.53/lb Ni (inclusive of royalties), **down 12% on higher milled tonnes and recovery**
- Exploration - **Savannah North exploration drive in progress, drilling below the 900 Fault commenced**
- Copernicus - **pre-production activities underway**

##### Lanfranchi

- Production - **3,062 Ni in ore**
- Costs - payable cash costs A\$6.14/lb Ni (inclusive of royalties)
- Exploration - **new area of mineralisation discovered west of Jury-Metcalf**

#### GOLD

##### Gidgee

- Feasibility Study scope expanded to include the Swan Bitter Resource

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

- Feasibility Study finalisation awaiting additional test work on the variability of gold recovery between site water and scheme water

#### PGM

##### Panton

- GR Engineering has completed a desk top review of previous metallurgical test work undertaken on Panton ore. This has confirmed there are options to optimise the metallurgical performance of the feasibility flow sheet

##### Thunder Bay North

- Earn-in/Option to JV Agreement signed with Rio, whereby Rio could spend up to C\$20 million over 5 years to earn 70% of the Project and Panoramic could earn 30% of Rio's adjacent Escape Lake Project

#### CORPORATE

- **Cash balance - increased to \$70 million due to the higher US\$ nickel price early in the quarter**
- FY2014 Final Dividend - \$6.4 million in fully franked dividends paid to shareholders, 2 cents per share
- Investments – \$500,000 strategic placement in GME Resources, MOU signed to review GME's NiWest Project

## Managing Director's Commentary

- **Safety and Environment** – there were no Lost Time Injuries (LTIs) recorded. Risk workshops were conducted at both Savannah and Lanfranchi to update the site Risk Registers as part of the Group Risk Management Guideline review.
- **Liquid Assets** - cash and receivables totalled \$90 million at quarter end, with cash at bank up \$6 million over the quarter and after the \$6.4 million fully franked dividend payment to shareholders in September. The Nickel Division generated a \$23 million operating surplus (after including Perth Office costs).

- **Nickel Division**

**Production** - Group nickel in concentrate/ore was 5,178t. At Savannah, a new quarterly mill throughput record was achieved and Lanfranchi had another solid production quarter. Pre-production activities are well underway at the Copernicus open-pit, targeting mining before the end of 2014.

**Costs** - Group payable unit cash cost (inclusive of royalties) averaged US\$5.43/lb (A\$5.87/lb) which was up marginally on the previous quarter as a result of the lower average mined nickel grade at both operations. Aggregate site costs were also up at both operations, largely due to the payment of Company-wide employee bonuses following the record FY2014 nickel production and the \$14 million after tax profit in the second-half of FY2014.

- **Gold Division**

**Strategy** - the strategy with the gold assets is to finish the Feasibility Studies and review the economics of both projects with particular focus on capital and operating cost estimates, development and operating risks, funding options and the US\$ gold price and US\$:A\$ FX outlook. The best course of action will then be adopted to realise the inherent value in these projects which could be development, an IPO, joint venture, trade sale or another variant.

- **PGM Division** - on 30 July 2014, the Company entered into an Earn-In and Option to Joint Venture Agreement with Rio Tinto Exploration Canada (RTEC) to consolidate our respective PGM projects in northwest Ontario, Canada. RTEC is currently in the Exploration Target Generation (ETG) phase of the Agreement, having conducted reconnaissance on surface geology and is close to completing a review of airborne and ground geophysical data on our Thunder Bay North (TBN) Project in order to generate new exploration drill targets. At the same time, our Thunder Bay office geological team has begun a review of data on RTEC's adjacent Escape Lake (EL) Project.

Subject to the successful outcome of this initial phase, RTEC can elect to spend up to C\$20 million on exploration and technical studies over five years to earn a 70% equity interest in the TBN Project. If RTEC commits to earn-in, Panoramic will acquire a 30% interest in RTEC's EL Project. The Company believes the Agreement with RTEC provides a strong vote of confidence in the future of the TBN Project.

At Pantan, GR Engineering has completed a desktop evaluation on the previous metallurgical test work, which has confirmed the potential to optimise the metallurgical performance of the feasibility flow sheet.

- **Exploration** - the Group's exploration programs remain heavily focussed on adding mine life at both nickel operations and we are having success:
  - *Lanfranchi* – new area of mineralisation has been intersected west of Jury-Metcalf. The best result so far is 9.11m @ 1.26% Ni.
  - *Savannah* - the exploration drive to conduct Resource and Reserve definition drilling and to further test the two zones of mineralisation at Savannah North is on-track for completion in early 2015. Resource definition drilling below the 900 Fault has commenced.

- **Corporate**

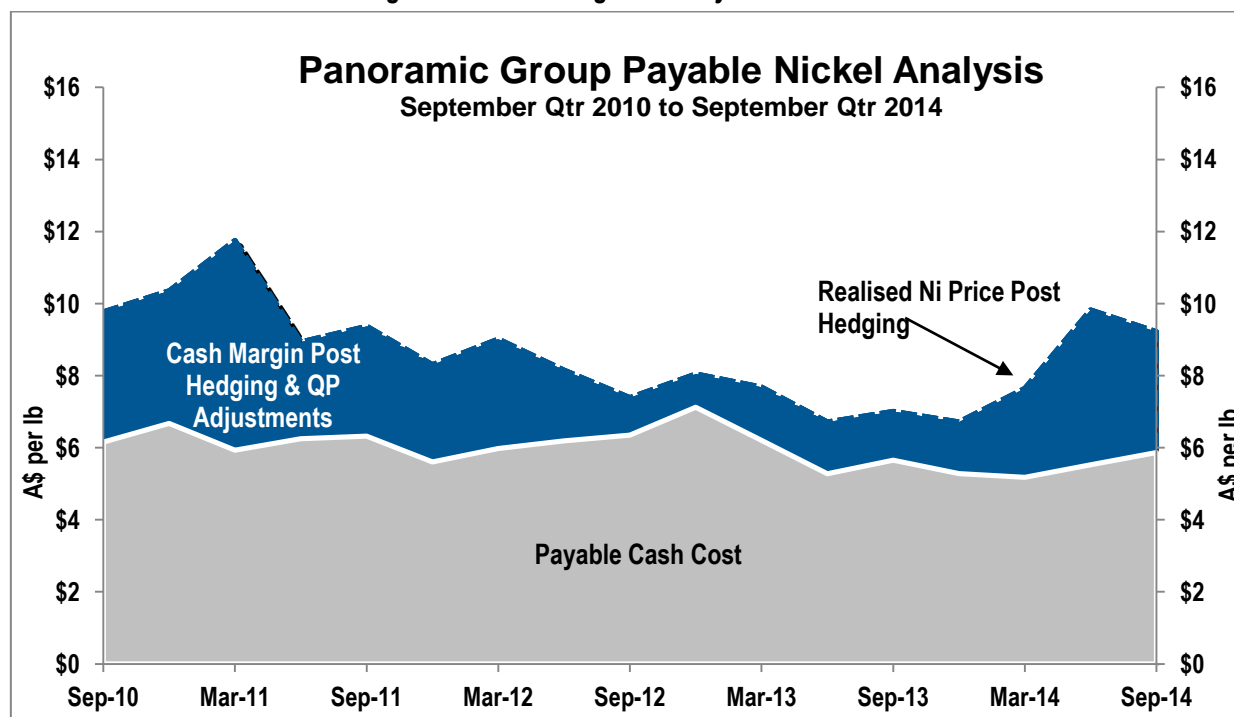
**Cost Savings** - major priorities for the Company are to secure further sustainable cost savings and productivity improvements across our business. Work continues on many initiatives with a continued focus on consumables.

**Investments** – the \$500,000 placement in GME Resources has given Panoramic approximately 4% of GME and the exclusive right to review and assist GME in its development strategy to transform the NiWest Nickel Project into a successful long life nickel and cobalt project.

## 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 September 2010 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 30 Sep 2014	Lanfranchi 3mths ending 30 Sep 2014	Total Group 3mths ending 30 Sep 2014	Total Group Previous Qtr Jun 2014
Ore Mined	dmt	207,056	131,309	338,365	328,733
Average Mined Nickel Grade	%	1.16	2.33	1.62	1.82
Nickel in Ore Mined	dmt	2,409	3,062	5,471	5,990
Nickel in Concentrate/Ore	tonnes	2,116	3,062	5,178	5,722
Copper in Concentrate/Ore	tonnes	1,313	254	1,567	1,710
Cobalt in Concentrate/Ore	tonnes	108	-	108	99
<b>Costs Per Pound Payable Nickel</b>					
Mining	A\$ per lb	3.40	3.69	3.56	3.28
Milling	A\$ per lb	1.65	-	0.74	0.78
Administration	A\$ per lb	1.44	0.60	0.98	0.82
<b>Payable Operating Cash Costs (Mine Gate)</b>	<b>A\$ per lb</b>	<b>6.49</b>	<b>4.29</b>	<b>5.28</b>	<b>4.88</b>
Haulage	A\$ per lb	0.31	0.26	0.28	0.28
Port Charges/Shipping	A\$ per lb	0.22	-	0.10	0.09
Ore Treatment	A\$ per lb	-	1.40	0.77	0.78
Net By-product Credits	A\$ per lb	(2.10)	(0.19)	(1.04)	(0.95)
Royalties	A\$ per lb	0.61	0.38	0.48	0.45
<b>Total Payable Operating Cash Costs<sup>(a)</sup></b>	<b>A\$ per lb</b>	<b>5.53</b>	<b>6.14</b>	<b>5.87</b>	<b>5.53</b>
<b>Total Payable Operating Cash Costs<sup>(b)</sup></b>	<b>US\$ per lb</b>	<b>5.12</b>	<b>5.68</b>	<b>5.43</b>	<b>5.16</b>

(a) Group capital development cash cost for the quarter was A\$0.51/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.

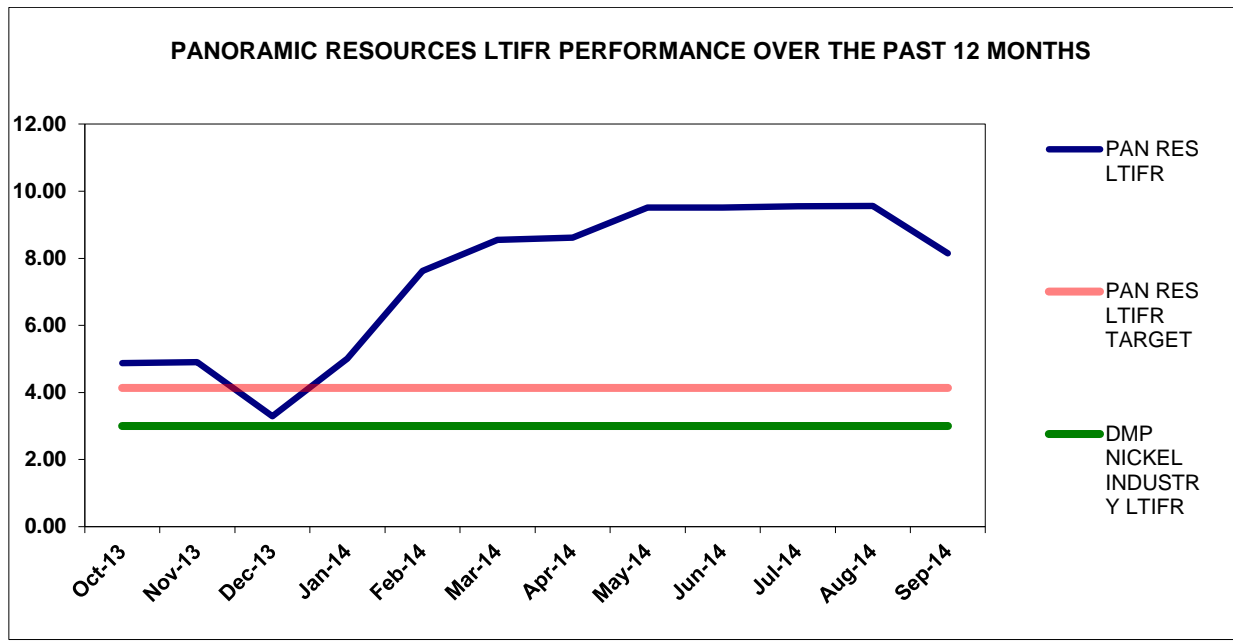
(b) Average September 2014 quarter RBA US\$/A\$ settlement rate of US\$0.9253 (Average June 2014 quarter exchange rate was US\$0.9330).

## Safety

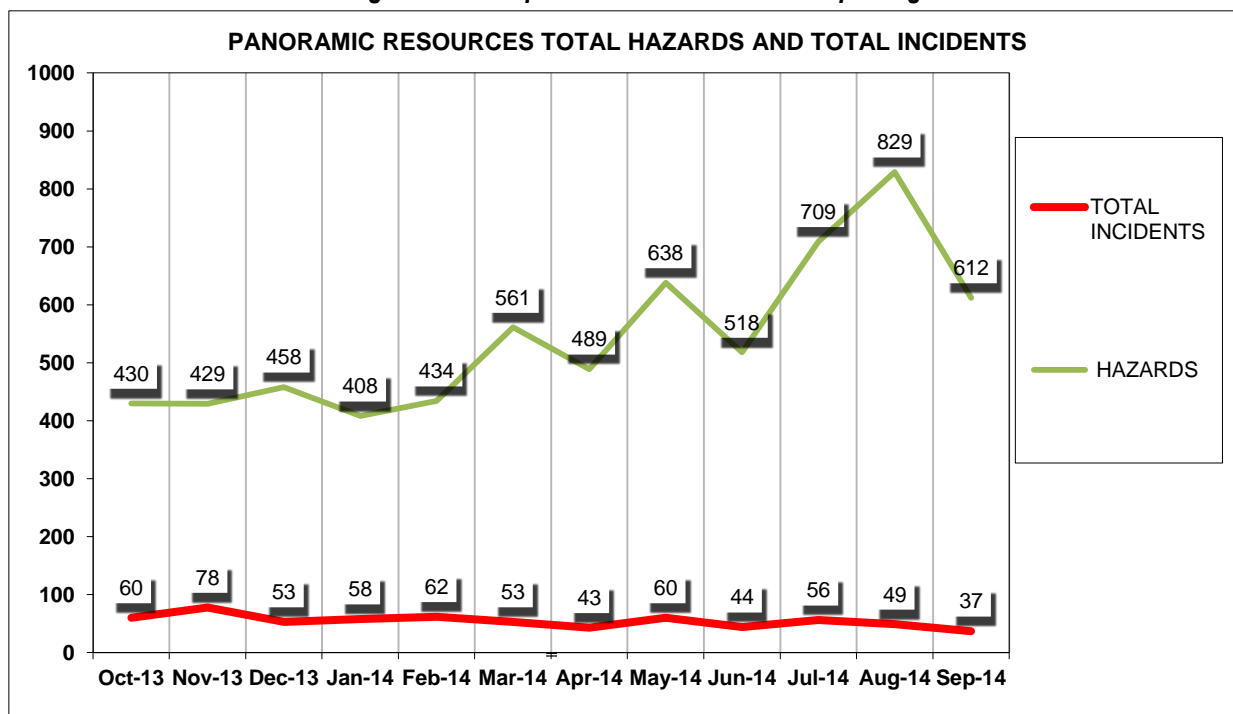
Pleasingly, there were no Lost Time Injuries (LTIs) recorded during the quarter. Risk workshops were conducted at both Savannah and Lanfranchi to update the site Risk Registers as part of the Group Risk Management Guideline review. The updated Risk Registers will then be utilised to develop Principal Hazard Management Plans for each site.

The 12 month moving average Group LTI Frequency Rate (LTIFR) decreased from 9.51 to 8.15. Figure 2 shows the Group actual and target LTIFR against the 2012/13 WA Nickel Industry Average LTIFR of 3.00, as published by the WA Department of Mines and Petroleum (DMP). Figure 3 shows the Group hazard and incident reports over the last 12 months. The total number of incidents across the Group has been trending down with an improvement in hazard reporting since February 2014.

**Figure 2 – Group LTIFR Performance (12 month rolling average)**



**Figure 3 – Group Incidents and Hazards Reporting**



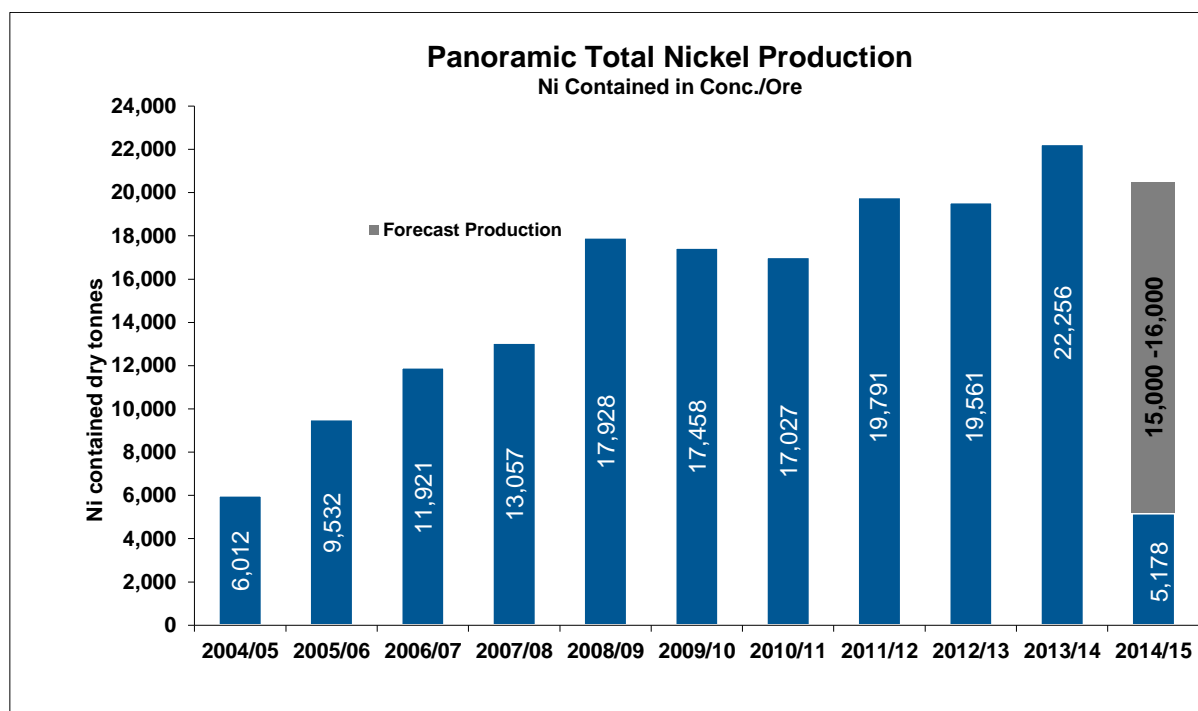
## Environment

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 5,178t Ni contained in concentrate/ore. Group nickel production guidance of 20,000-21,000t Ni contained has been maintained.

**Figure 4 – Actual and Forecast Nickel Production**



## Nickel – Savannah Project

### General

The Savannah Project produced 2,116t Ni, 1,313t Cu and 108t Co contained in concentrate. **Ore tonnes milled was up 12% on the previous quarter, achieving a new quarterly throughput record.** Average nickel recovery exceeded 87%, an outstanding performance given the lower average milled nickel grade of 1.16%.

Four concentrate shipments with a combined 2,124 tonnes of contained nickel were exported to China. As at 30 September 2014, there were 382 tonnes of contained nickel at Wyndham waiting to be shipped.

On 16 October 2014, the **one millionth tonne of Savannah concentrate was shipped to China** (refer ASX release of 21 October 2014). This is a significant achievement and a great tribute to the team at Savannah and comes after 10 years of continuous operation at the Project.



**Table 2 – Savannah Project Operating Statistics**

Area	Details	Units	3 mths ending 30 Sep 2014	3 mths ending 30 Jun 2014	2013/14 Full Year
<b>Mining</b>	Ore mined	dmt	207,056	183,043	760,335
	Ni grade	%	1.16	1.21	1.29
	Ni metal contained	dmt	2,409	2,223	9,815
	Cu grade	%	0.66	0.78	0.75
	Co grade	%	0.06	0.06	0.06
<b>Milling</b>	Ore milled	dmt	208,695	186,183	759,150
	Ni grade	%	1.16	1.22	1.29
	Cu grade	%	0.66	0.79	0.75
	Co grade	%	0.06	0.06	0.06
	Ni Recovery	%	87.1	86.0	86.6
	Cu Recovery	%	95.1	95.1	95.1
	Co Recovery	%	89.6	88.6	89.3
<b>Concentrate Production</b>	Concentrate	dmt	28,923	26,761	117,122
	Ni grade	%	7.32	7.31	7.24
	Ni metal contained	dmt	2,116	1,955	8,481
	Cu grade	%	4.54	5.23	4.64
	Cu metal contained	dmt	1,313	1,399	5,439
	Co grade	%	0.37	0.37	0.36
	Co metal contained	dmt	108	99	426
<b>Concentrate Shipments</b>	Concentrate	dmt	28,950	29,356	118,548
	Ni grade	%	7.34	7.19	7.25
	Ni metal contained	dmt	2,124	2,112	8,593
	Cu grade	%	4.42	4.85	4.51
	Cu metal contained	dmt	1,280	1,424	5,346
	Co grade	%	0.37	0.35	0.36
	Co metal contained	dmt	107	104	428

## 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 surveys from that drilling support the potential for large footprints of “Savannah magmatic breccia style” Ni-Cu-Co mineralisation north of the existing mine.

An update on the Savannah North discovery is provided in the Exploration Section of this report.

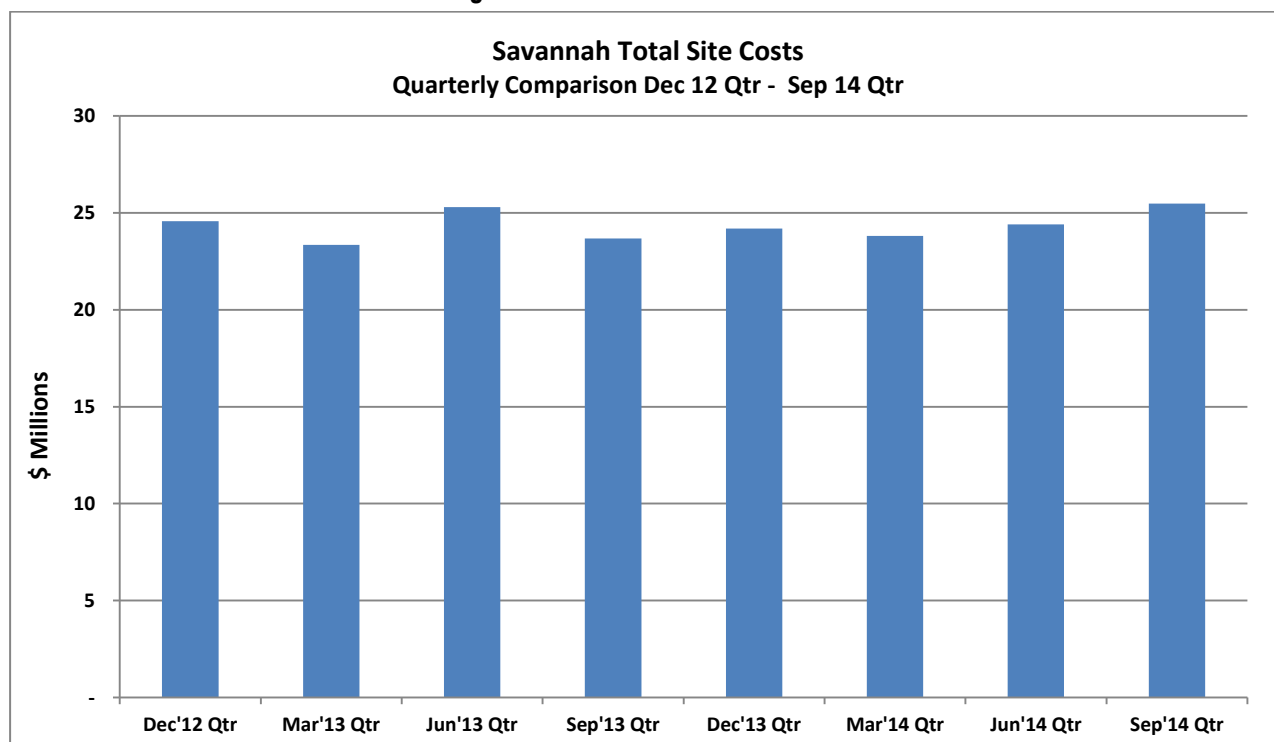
**Photo 1 – Surface drilling at Savannah North**



## Costs

Total site costs of \$25.5 million, including operating and capital, were up on the previous quarter (\$24.4 million), primarily due to bonuses paid to Savannah employees in August 2014. **The higher quarterly nickel production resulted in a 12% reduction in the average payable unit cash cost (including royalties) to A\$5.53/lb.**

**Figure 5 – Savannah Total Site Costs**



**Photo 2 – Loading of the one millionth tonne of Savannah concentrate – October 2014**



## Nickel – Lanfranchi Project

### General

The Lanfranchi Project produced 131,309 tonnes of ore at 2.33% Ni for 3,062t Ni contained, another solid quarterly performance. Planned stope scheduling resulted in the lower average mined nickel grade.

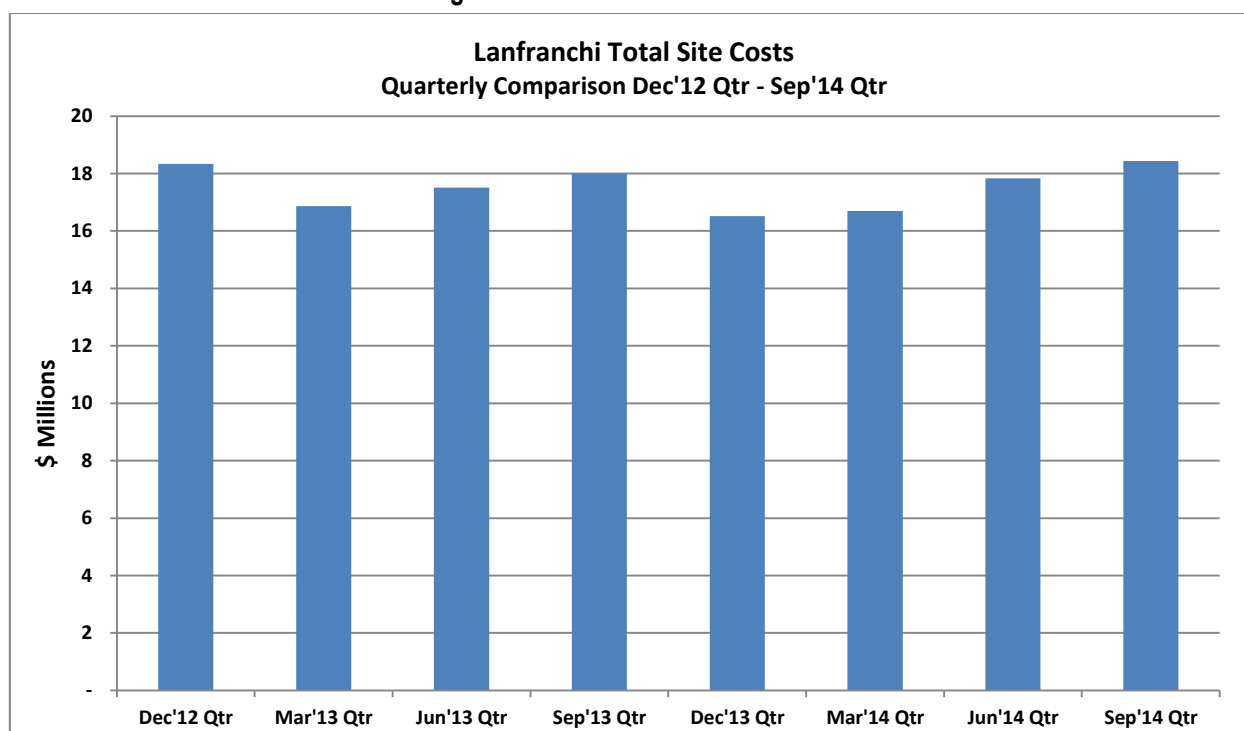
**Table 3 – Lanfranchi Project Operating Statistics**

Area	Details	Units	3mths ending 30 Sep 2014	3mths ending 30 Jun 2014	2013/14 Full Year
<b>Mining</b>	Ore mined	dmt	131,309	145,690	518,273
	Ni grade	%	2.33	2.59	2.66
	Ni metal contained	dmt	3,062	3,767	13,775
	Cu grade	%	0.19	0.22	0.23
<b>Ore Delivered</b>	Ore delivered	dmt	127,892	145,812	521,514
	Ni grade	%	2.28	2.59	2.64
	Ni metal contained	dmt	2,905	3,773	13,794
	Cu grade	%	0.19	0.22	0.23

### Costs

Total site costs of \$18.4 million, including operating and capital were up marginally on the previous quarter (\$17.8 million), due to bonuses paid to Lanfranchi employees in August 2014. The lower nickel production resulted in an increase in the average payable unit cash cost (including royalties) to A\$6.14/lb.

**Figure 6 – Lanfranchi Total Site Costs**



### Native Title

A Federal Court judgement recently determined that certain Lanfranchi tenements are invalid to the extent that they may be affected by native title. The Company is assessing the implications of the judgement and final Orders have not been made by the Court. The Company will continue to monitor the matter, including any right of appeal, in conjunction with other affected parties.



## Nickel – Copernicus Project (Panoramic 100%)

### Copernicus Open Pit

Following the consolidation of the project ownership in May 2014, the Company has been steadily working towards the recommencement of mining the Copernicus open pit. Mining of ore is expected to commence before the end of the December 2014 quarter. Pre-production activities undertaken include the upgrade and maintenance of the haul road, a tender process for the supply of equipment and operators and the completion of a small infill drilling program. Copernicus ore will be trucked to the nearby Savannah process plant for processing.

## Base Metal Exploration

### FY2015 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 exploration. A significant portion of the funds from the Capital Raising in late 2013 has been committed to these exploration programs.

### Savannah and East Kimberley Regional

#### Savannah North Project

Since the initial Savannah North discovery hole in February 2014 (refer ASX release of 18 February 2014), the Company has completed 21 diamond drill holes (from surface and underground) and 15 associated down-hole electromagnetic (DHEM) surveys for a total cost of \$4.7 million (refer to ASX releases of 28 April 2014, 30 May 2014 and 28 July 2014). **The drilling has identified two zones (an Upper and Lower zone) of "Savannah Style" magmatic breccia textured massive sulphide mineralisation over a broad area.** Both the Upper and Lower mineralised zones remain open towards the west and northwest (Figures 7 and 8).

Based on the currently available drill data, the Company has estimated an Exploration Target for the Upper Zone in the range of 3.2 to 6.4 million tonnes and a grade range of 1.5% to 2.1% Ni (Table 4):

**Table 4: Savannah North Exploration Target and supporting assumptions**

Width of mineralisation	Plunge extent of mineralisation	Approximate thickness of mineralisation	Assumed average density	Exploration target grade range %Ni		Exploration target tonnage range
(metres)	(metres)	(metres)		Low - High		(millions tonnes)
350	600	4.0	3.8	1.5%	2.1%	3.2
350	700	5.0	3.8	1.5%	2.1%	4.7
350	800	6.0	3.8	1.5%	2.1%	6.4

**Cautionary / Clarifying Statement** – the Exploration Target reported here is not a Mineral Resource. The Exploration target reported uses information gained from a combination of actual drill results from surface and underground drilling and supporting geophysical surveys. The level of exploration carried out to date is insufficient to define a Mineral Resource. The Exploration Target reported is conceptual in nature requiring further exploration. The planned exploration activities to further test Savannah North are provided below. It remains uncertain if further exploration will result in the estimation of a Mineral Resource.

Further information on the Savannah North Exploration Target and a summary of the relevant drill holes used to derive the approximate thickness and grade of the mineralisation at Savannah is provided in the Company's ASX release of 28 July 2014.

## *Savannah North and Savannah sub-900 Fault - Underground Drilling and Exploration drill drive*

As announced on 28 July 2014, the Company has commenced development of an exploration drill drive to access the Savannah North area (Figure 7). The drive will be an extension to the 1570 drill drive that was developed to enable Resource definition drilling of the Savannah orebody below the 900 Fault. Drilling below the 900 Fault is underway and will continue into 2015. Development of the extended Savannah North drill drive is due to be completed in early 2015 with Resource definition drilling of the Savannah North mineralisation to commence immediately after completion.

## *Surface Drill Hole SMD160*

Surface drill hole SMD160 (Figure 7) was completed in late August 2014. The hole intersected a thin interval of massive sulphide mineralisation (**0.44m grading 2.12% Ni**) at the Upper Zone target depth and the associated DHEM survey indicated that at this depth **the hole had “clipped” the northern edge of a much larger body of mineralisation located to the south of the hole. The DHEM survey also demonstrated that the hole had narrowly missed intersecting the Lower zone mineralisation and that the bulk of this body lies to the north of the hole.** The Company is waiting on the completion of the Savannah North exploration drill drive before testing these mineralised areas from the significantly improved drill position.

The results of surface drill hole SMD160 and the associated 2012 JORC Compliance Tables are provided in Appendix 1.

## **East Kimberley JV (EKJV) (Panoramic ~100% or 80%)**

In May 2004, the Company acquired the remaining 31% interest in the EKJV Project. Since the acquisition, no significant field activities have been undertaken on the former EKJV tenements.

## **Copernicus**

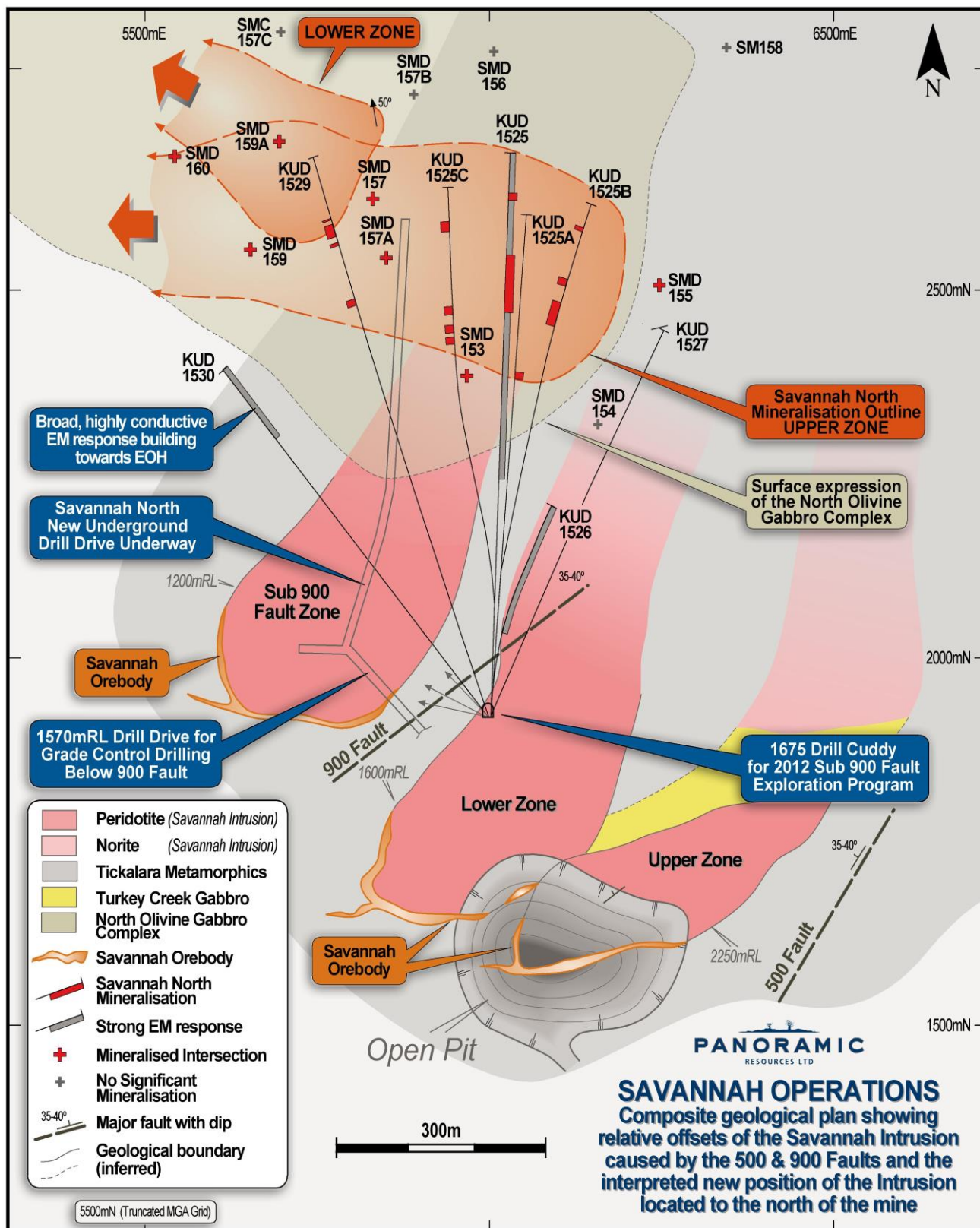
Prior to the resumption of mining at the Copernicus open-pit, six shallow diamond holes, totalling ~270 drill metres were completed on the Copernicus Resource during the quarter. The holes provided fresh material for metallurgical float test studies at the Savannah mill and to infill areas of the Copernicus Resource Block Model at the northern and southern end of the orebody. Assays results for the program are yet to be received.

***Photo 3 – Copernicus Open-Pit***

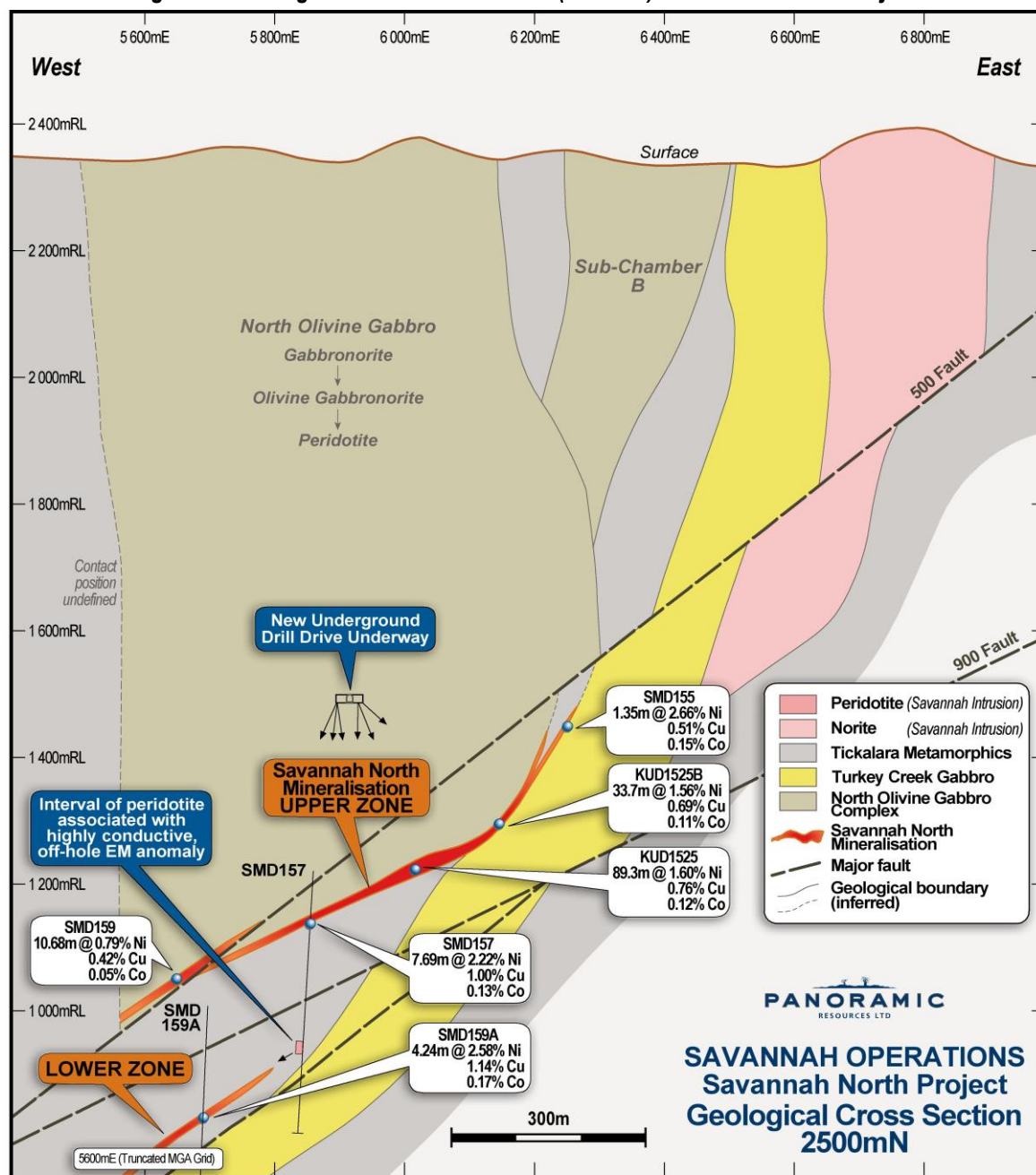




**Figure 7 - Plan View of Savannah North Project Area showing position of drill holes and mineralisation outlines**



**Figure 8 - Geological Cross Section View (2500mN) - Savannah North Project**



## Lanfranchi

At Lanfranchi, several exploration targets have been identified for systematic testing during FY2015. The targets include:

- down-plunge of the Lanfranchi orebody, where there is potential for high grade nickel sulphide mineralisation;
- up and down-plunge of the Jury-Metcalf Resource located to the west of Schmitz;
- down-plunge of Deacon, targeting the continuation of the orebody and a strong EM plate identified from previous drilling;
- east of Deacon, targeting what is potentially a new mineralised channel position; and
- the overturned Tramways Dome, targeting areas predicted to contain the continuation of the Helmut/Deacon and Schmitz channel systems.

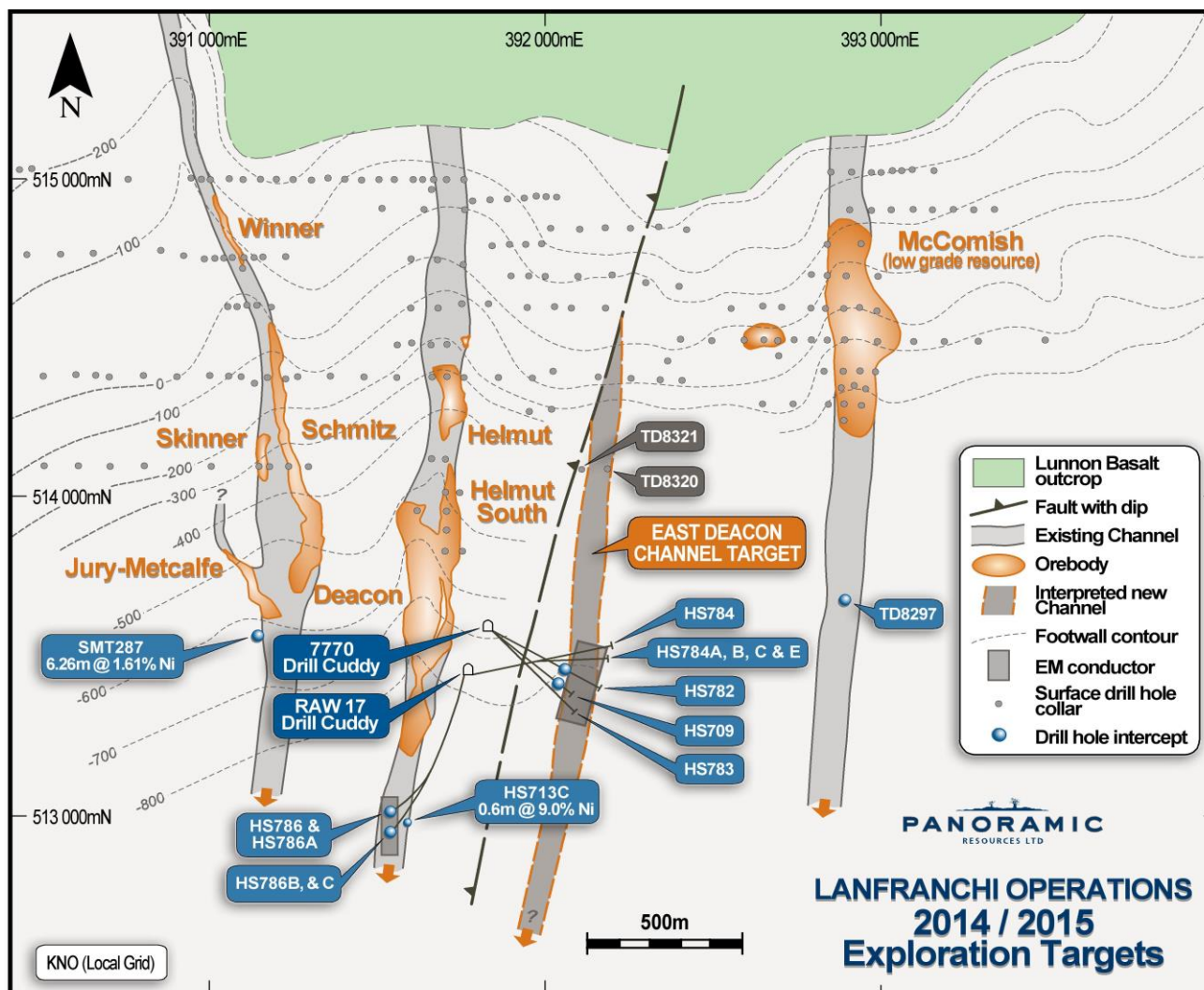
Drill results received during the quarter and JORC 2012 Compliance Tables for the reporting of the Lanfranchi exploration results are detailed in Appendix 2.



## East Deacon - Potential new Channel system

Two surface RC/diamond holes (TD8320/8321) were completed on the East Deacon target area during the quarter **and a strong off-hole DHEM response was detected** to the west of TD8321 (*Figure 9*). A new hole targeting this EM anomaly will be drilled during the December 2014 quarter.

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



## Schmitz/Jury-Metcalf

A program to drill several long platform EM holes down-plunge of the Schmitz/Jury-Metcalf orebodies was completed during the quarter (*Figure 10*). **One significant “late time” off-hole DHEM response was detected near the end of drill hole SMT242 and will be targeted with a new drill hole during the December 2014 quarter.** Several weaker, “early time” DHEM anomalies were identified in the other drill holes and will be tested at a later time.

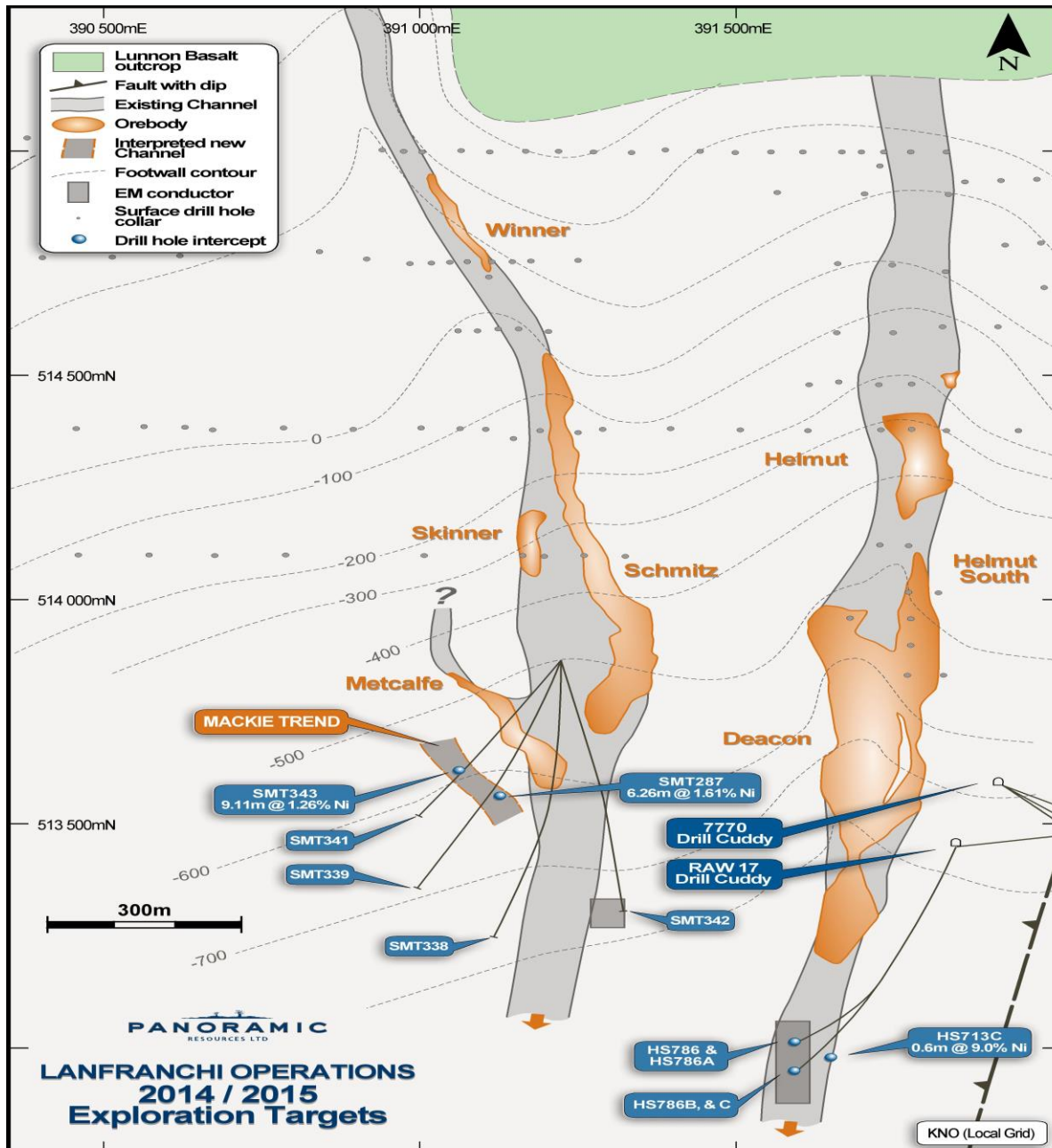
A program of drill holes to test up and down-plunge of Jury-Metcalf and to follow-up an earlier intersection (SMT287) located west of Jury-Metcalf commenced late in the quarter. **Mineralisation has been intersected to the west of Jury-Metcalf**, with the best result so far being **9.11m @ 1.26% Ni in SMT343 from 177.89m**. Drilling is ongoing and many assay results remain to be received.

## Deacon down-plunge EM plate testing

No activity during the quarter.



**Figure 10 – Plan view Schmitz Metcalfe area showing recent drilling**



## Lanfranchi Down-Plunge

As reported last quarter, four long, platform EM holes were completed down-plunge of the Lanfranchi orebody. The purpose of these holes and associated DHEM surveys was to identify significantly more conductive and potentially better mineralised areas for follow-up drilling.

During the quarter, a series of infill diamond drill holes were drilled immediately down plunge of the Lanfranchi orebody in order to increase confidence in the Lanfranchi Resource model. A total of 16 drill holes for 1,968 drill metres were completed as part of this program.

Several significant intersections on the Lanfranchi orebody were achieved in this program, including\*:

- 2.11m @ 5.62% Ni (LAN339) from 99.79m;
- 2.32m @ 3.39% Ni (LAN341) from 158.27m;
- 1.39m @ 10.60% Ni (LAN342) from 79.77m;
- 1.85m @ 4.85% Ni (LAN345) from 130.02m;
- 3.95m @ 4.96% Ni (LAN346) from 98.55m;
- 3.13m @ 4.17% Ni (LAN352) from 105.71m; and
- 1.81m @ 6.75% Ni (LAN353) from 60.49m.

\* all intervals are down-hole lengths and not true widths. Drill results received during the quarter and JORC 2012 Compliance Tables for the reporting of the Lanfranchi down-plunge exploration results are detailed in Appendix 2.

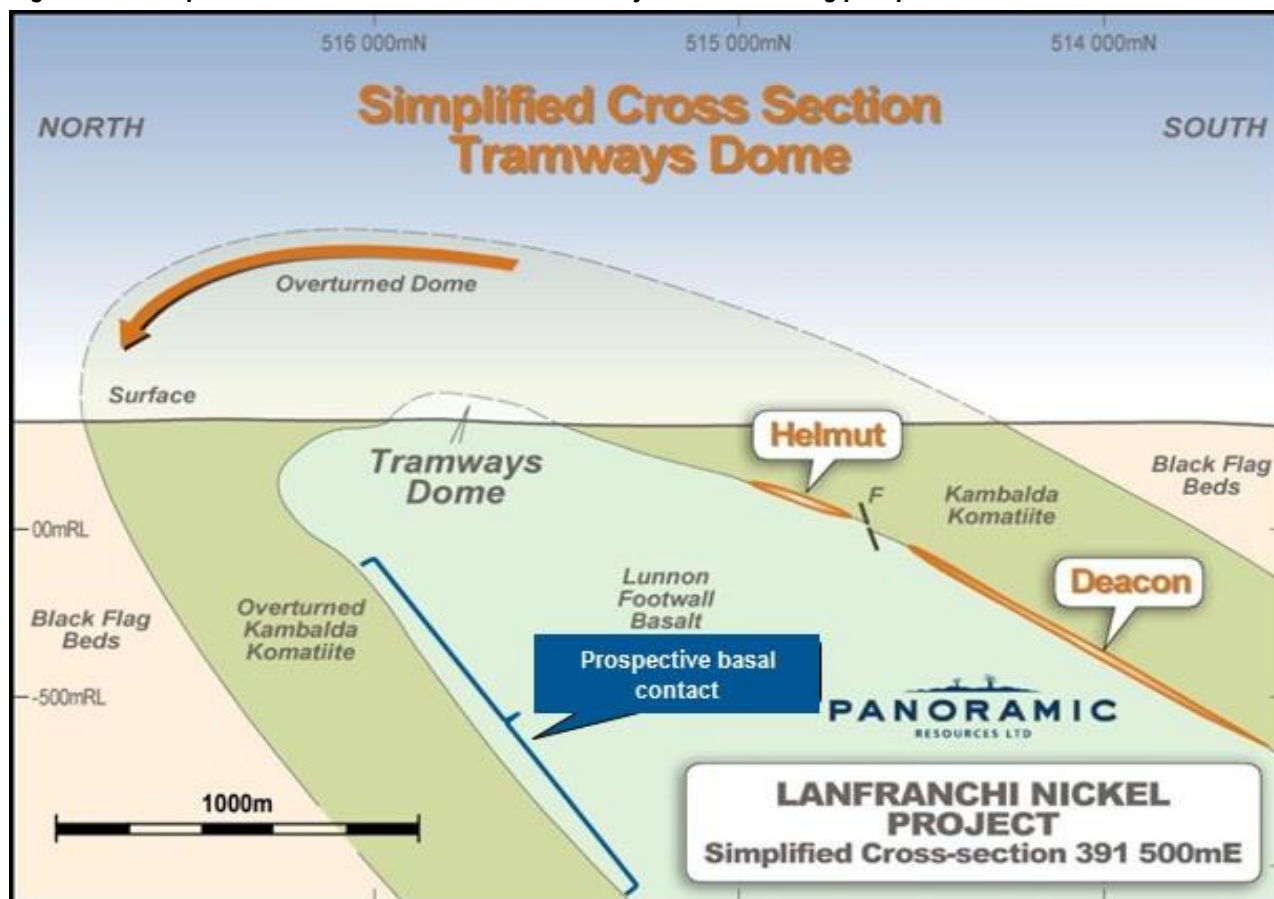
The analysis of the associated DHEM survey data indicates that the Lanfranchi orebody continues for a considerable distance down-plunge from the current base of mining.

## Northern Tramways Dome

An extensive program of surface RC/Diamond drill holes was completed during the quarter. The holes were positioned systematically across the section of the Dome predicted to contain the overturned continuation of the mineralised Schmitz and Helmut/Deacon channel systems, down to a depth of approximately 900m below surface. A total of 24 holes were completed (with 15 holes completed in the September 2014 quarter) for a total of 16,753 drill metres (*Figure 11*). Previous drilling in the area had demonstrated the overturned nature of the Dome and intersected several thin zones of off-contract, massive sulphide mineralisation, including 0.88m @ 7.76% Ni in TD8036 and 1.0m @ 3.41% Ni in TD8030 (refer to ASX release of 30 January 2008).

Two intersections were achieved in the program, namely 4.14m @ 4.05% Ni in TD8305 and 0.75m @ 6.04% Ni in TD8312. At this stage, the follow-up DHEM survey data suggests that both intersections appear not to be associated with any extensive area of mineralisation around either drill hole.

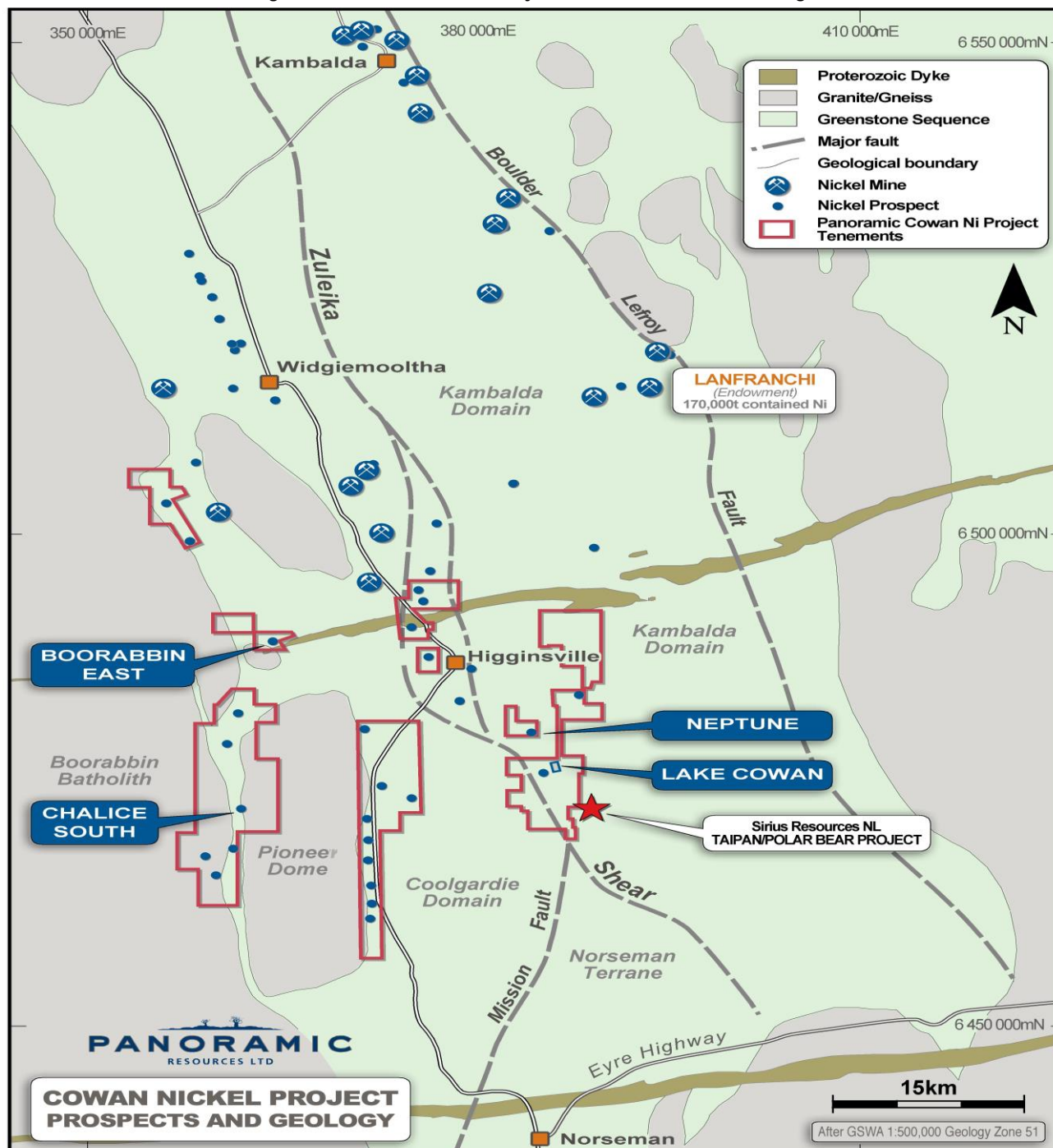
**Figure 11 – Simplified Cross-Section Northern Tramways Dome showing prospective overturned contact**



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

Five priority EM targets were tested during the quarter, at Lake Cowan, Neptune and Chalice South, with two additional targets tested at Boorabbin East, for a total 1,363 drill metres (Figure 12). Assay results on some holes are still to be received and follow-up DHEM surveys are yet to be conducted on several holes. Based on information at hand and from visual observations, it would appear that the EM responses on all five targets are from the presence of conductive sedimentary units.

**Figure 12 – Cowan Nickel Project - Tenements and EM Target areas**



## Drake Resources Exploration Alliance - Scandinavia

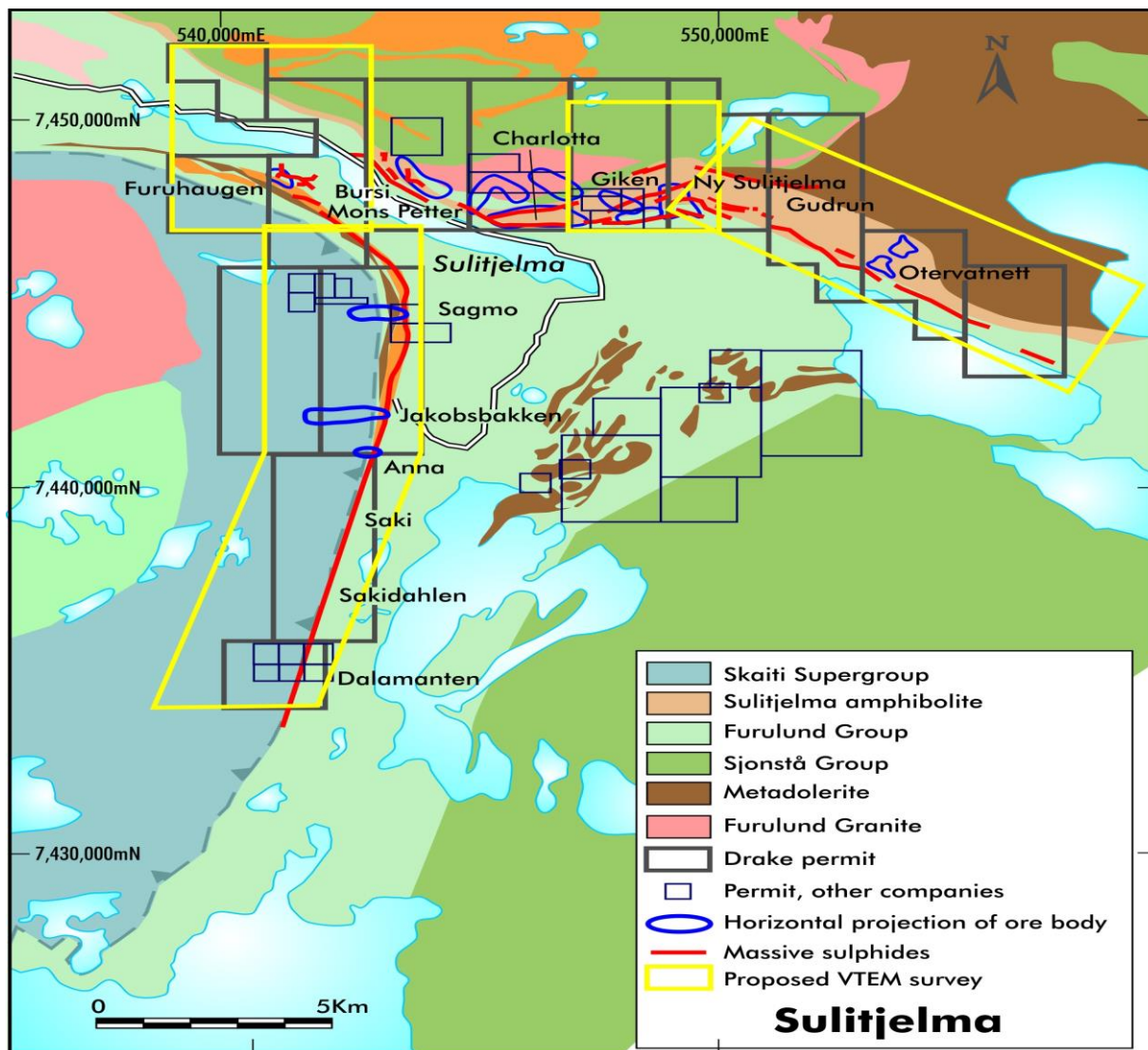
Panoramic and Drake Resources Limited have an alliance to identify, explore and develop base and precious metal opportunities across Scandinavia. Three base metal joint venture projects are currently active in Norway at Løkken, Sulitjelma and Hersjo/Nordgruva. Work continued on the three Norwegian base metal projects during the quarter.

Initial drill testing of priority geophysical anomalies at Hersjo/Nordgruva and Lokken were completed, with anomalies proven to be from either thin, base metal poor sulphide horizons or sulphide rich sedimentary units. No further work is planned on either project and the Company is reviewing its options in these two projects.



At Sulitjelma, a 70km<sup>2</sup> airborne electromagnetic (VTEM) and magnetic survey was undertaken (Figure 13). An initial assessment of the survey data identified 11 anomalies, which was then reduced to seven targets following subsequent field inspection. Five targets lie within the western thrust area of known massive sulphide mineralisation mapped over 10km in a north to south direction. Sections of this thrust have been previously mined at the Sagmo Mine (1.9Mt @ 1.6%Cu and 0.23%Zn) and at the Jacobsbakken Mine (4.47Mt @ 1.55%Cu and 2.42%Zn). Two targets to the east are located along strike from the main Sulitjelma mines of Ny Sulitjelma (2.59Mt @ 1.99%Cu and 0.55%Zn) and Giken. The VTEM survey data has been compiled and is currently being reviewed to generate follow-up targets. This review work is expected to be completed by the end of 2014.

**Figure 13 - Sulitjelma Project Plan View showing VTEM survey area**



## 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.

### Feasibility Study

The Feasibility Study scope has now been extended to include the Swan Bitter Resource.

## 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.

The final stages of feasibility work has involved obtaining updated capital and operating cost estimates for a 3Mtpa processing plant. The updated costs are in line with previously supplied estimates.

Recent metallurgical test work using site water has raised some issues on the leaching and recovery of gold in cyanide solution due to the high saline composition of the water compared to Perth scheme water, which was used for previous test work. The release of the Mt Henry BFS is now waiting further test work on the impact of site water on recovery levels.

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

No work was undertaken during the quarter.

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

In the Laverton Farm-in between Poseidon Nickel Limited (Poseidon) and Magma Metals Pty Ltd (100% owned by Panoramic), in June 2014, both parties agreed to vary the terms of the farm-in to take account of delays arising from a dispute involving third party claims in relation to some of the tenements. The dispute has now been settled and as a result of the variation, Poseidon has the sole and exclusive right to earn a 60% interest in the tenements by sole funding an additional \$2,700,000 in expenditure on the tenements within the period of three years commencing on 3 June 2014. At least 75% of the \$2,700,000 must be incurred on activities within the Target 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 14*). 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 ASX release of 30 September 2014 for disclosures on the TBN Resource) with exploration potential at depth and along strike.

**On 30 July 2014, Panoramic announced that its wholly owned subsidiary, Panoramic PGMs (Canada) Limited (PANP), had signed an Earn-in with Option to Joint Venture Agreement (Agreement) with Rio Tinto Exploration Canada Inc. (RTEC), a wholly owned subsidiary of Rio Tinto, to consolidate their respective Platinum Group Metal (PGM) projects in northwest Ontario, Canada. RTEC holds a single tenement called Escape Lake (EL) within the core of the TBN tenement package (*Figure 14*). PANP and RTEC have recognised that the best way of realising value from both Projects is to combine TBN and EL into a single project. The key terms of the Agreement include:**

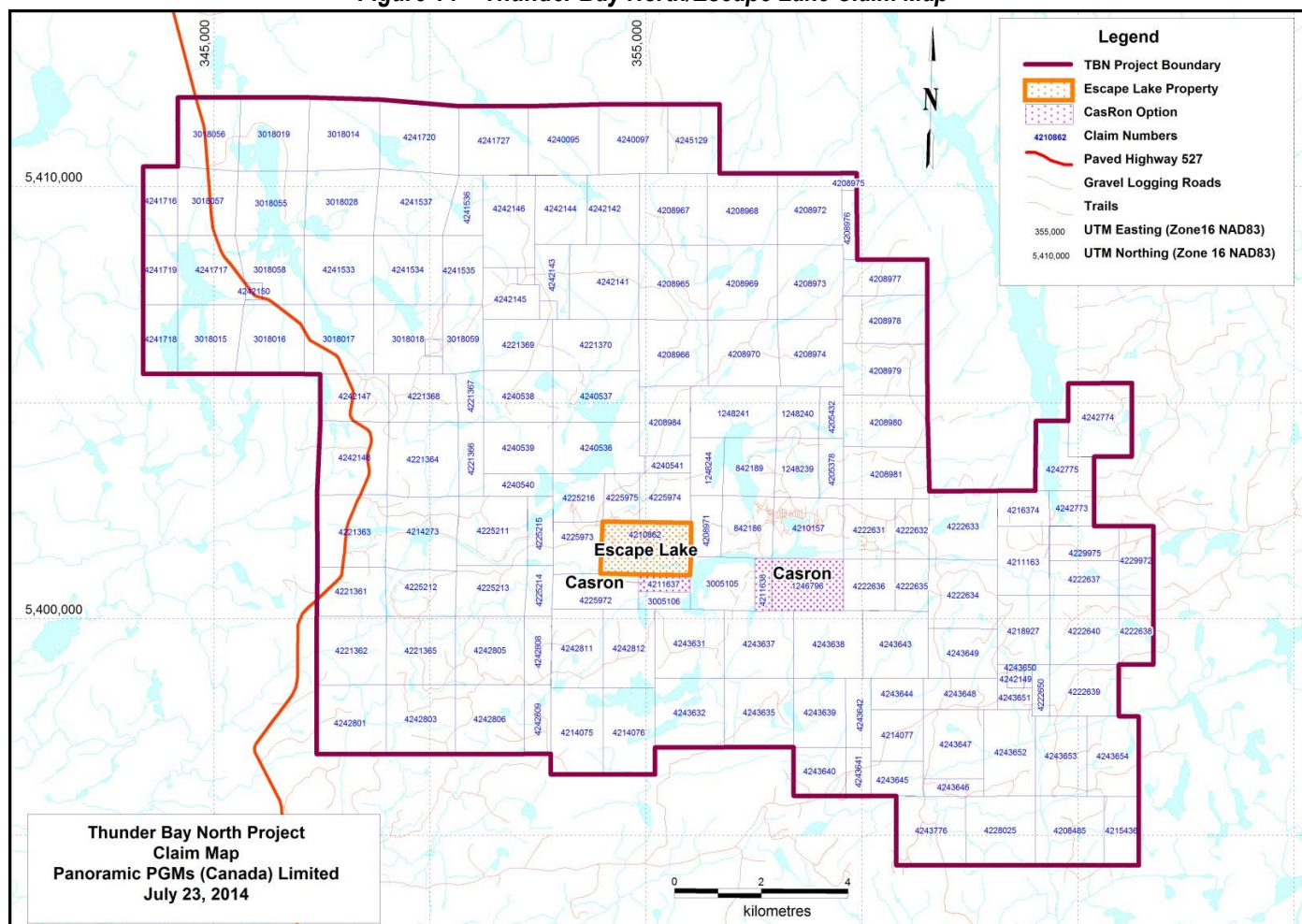
- **Phase 1 - Exploration Target Generation (ETG)** - Prior to 31 December 2014, RTEC to spend C\$250,000 and PANP and RTEC will jointly carry out a detailed review of all existing data for the Consolidated Project. The aim is to review existing data sets and to develop exploration concepts/targets on the Consolidated Property, while sharing exploration expertise and techniques.
- **Phase 2 - The Earn-in Option** - At the end of the ETG phase, RTEC can elect to earn a 70% interest in the TBN Project by sole funding C\$20 million of expenditure over a five year period. If RTEC so elects, RTEC is required to spend a minimum of C\$5 million before it can withdraw. During this period, RTEC will be responsible for managing the Consolidated Property and ensuring the tenements are kept in good standing. If RTEC elects not to exercise its right to earn in, or having elected to do so, does not earn its 70% interest, PANP will have certain rights to purchase 100% of EL.
- **Phase 3 - Joint Venture** - If RTEC earns its 70% interest by spending C\$20 million, then PANP will acquire a 30% interest in EL and a contributing Joint Venture will be established on 70/30 basis (RTEC/PANP).

RTEC has commenced the Exploration Target Generation phase, having conducted reconnaissance on surface geology and is close to completing a review of the TBN airborne and ground geophysical data in order to generate new exploration drill targets. At the same time, the Company's Thunder Bay office geological team has begun a review of similar data on RTEC's EL Project.



The Company believes the Agreement reached with RTEC provides a strong vote of confidence in the future of the TBN Project, while potentially giving Panoramic a 30% interest in RTEC's adjacent EL Project. The transaction allows Panoramic to simplify its project development portfolio while continuing to have exposure to any exploration success at TBN, without the present need to allocate financial resources to the TBN Project.

**Figure 14 – Thunder Bay North/Escape Lake Claim Map**



## 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.

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).

During the quarter, GR Engineering Services Limited completed a desk-top study on the previous metallurgical test work undertaken on Panton ore. This review has confirmed there are options to optimise the metallurgical performance of the feasibility flow sheet.

No field activities were undertaken during the quarter.

## Group Resources & Reserves Tables

On 30 September 2014, the Company released the Group's Mineral Resource and Reserve Tables as at 30 June 2014. Key points include:

- Gold Division Resources – 2.48Moz contained Au;
- PGM Division Resources – 2.8Moz contained Pt and Pd (1.4Moz Pt and 1.4Moz Pd);
- Nickel Division Resources – 156,600t contained Ni, 34,300t contained Cu and 2,800t contained Co; and
- Nickel Division Reserves – 53,300t contained Ni, 20,200t contained Cu and 1,700t contained Co.

The Nickel Division's base metal reserves have decreased from 30 June 2014, from a combination of:

- depletion of mine reserves over the 12 months following the Group's record FY2014 production of 23,595t contained Ni in ore;
- a review of supporting technical assumptions (ie. geological understanding, cut off grades, sterilisation); and
- changes in the commodity price and exchange rate assumptions.

Since the 2013 Statement, the Company has purchased the remaining ~22% interest in the Copernicus Nickel Project. The Nickel Division 2014 Mineral Resource and Reserve Statement incorporates this ownership change.

It should be noted that the 2014 Nickel Division Tables do not include any material from mineralisation below the Savannah 900 Fault or from the recent Savannah North discovery.

The detailed 2014 Group Resources and Reserves Tables, including the Material Information Summary, the 2012 JORC Compliance Tables and the Competent Persons Statements are provided in the Company's ASX release of 30 September 2014.

## Corporate

### Liquid Assets & Debt

Cash on hand at the end of the quarter was \$70 million plus receivables of \$20 million, **for a total of \$90 million in current liquid assets**. The operations, inclusive of Perth Office costs, generated a **\$23 million operating surplus in the quarter** after net working capital movements

The cash balance is after the two cents per share fully franked dividend paid to shareholders on 26 September 2014 (\$6.4 million), final positive quotational period (QP) pricing adjustments of \$4.8 million and a \$2.7 million income tax refund (net of costs and accrued interest) arising from a review of the Company's consolidated tax returns for FY2009 to FY2012.

At 30 September 2014, Savannah had 382t Ni contained in stockpiled concentrate (valued at ~\$7 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 December 2014 quarter.

Group finance leases on mobile equipment and insurance premiums at 30 September 2014 totalled \$4.8 million. During the quarter, a \$2.3 million payment was made to settle two finance leases on heavy mobile equipment at Lanfranchi.

### Cost Savings and Productivity Initiatives

The Company remains committed to securing sustainable cost savings and productivity improvements across the business.

## Investments

As announced on 22 September 2014, the Company completed a \$500,000 strategic placement and entered into a Memorandum of Understanding (NiWest MOU) with GME Resources Limited (GME) regarding the exploration, development and financing of GME's NiWest Nickel Laterite Project in the north eastern goldfields of Western Australia. The placement to Panoramic comprised the issue of 18,518,519 shares at an issue price of \$0.027 per share, giving the Company a ~4% interest in GME.

The key terms of the NiWest MOU gives the Company an exclusive period, ending 30 June 2015 or another date as mutually agreed, to review all available information on the NiWest Project and to provide GME with commercial terms for consideration by GME of Panoramic's potential involvement in the advancement of the Project, whether by way of joint venture with GME, a further strategic placement in GME, an acquisition of the Project or some other transaction.

Panoramic's investment coincided with the commencement of a major metallurgical program by GME on the NiWest Project designed to test the proposed NiWest flowsheet at feasibility level. A successful outcome from this work has the potential to significantly enhance the development strategy to transform the NiWest Nickel Project into a long term nickel operation.

## Hedging

The Company did not add to its hedge book during the quarter.

**Table 5 – Group Hedge Book – A\$ Mark-to-Market Valuation as at 30 September 2014**

Commodity	Mark-to-Market 30 Sep 2014
Bought US\$ Nickel Put Options	\$1.5 million
Sold US\$ Nickel Call Options	-
Bought A\$ Diesel Call Options	-
Sold A\$ Diesel Put Options	(\$0.1 million)
Bought US\$ Currency Put Options	\$0.1 million
Sold US\$ Currency Call Options	(\$2.0 million)
<b>Total Mark-to-Market</b>	<b>(\$0.5 million)</b>

**Table 6 – Group Hedge Book – Delivery Profile as at 30 September 2014**

Commodity	Quantity 30 Sep 2014	Average Price/Rate 30 Sep 2014
<b><u>Nickel</u> –</b>		
<b>Bought Nickel Put Options</b> (delivery Oct 2014-Dec 2014)	150t	US\$15,250/t <b>US\$6.92/lb</b>
<b>Bought Nickel Put Options</b> (delivery Oct 2014-Apr 2015)	650t	US\$18,000/t <b>US\$8.16/lb</b>
<b>Sold Nickel Call Options</b> (delivery to Oct 2014-Dec 2014)	150t	US\$19,000/t US\$8.62/lb
<b>Sold Nickel Call Options</b> (delivery to Oct 2014-Dec 2014)	650t	US\$22,000/t US\$9.98/lb
<b><u>Diesel</u> –</b>		
<b>Bought A\$ Diesel Call Options</b> (delivery Oct 2014-Jun 2015)	400,000litres/mth	US\$0.82/litre
<b>Sold A\$ Diesel Put Options</b> (delivery Oct 2014-Jun 2015)	400,000litres/mth	US\$0.686/litre
<b><u>US\$:A\$ FX</u> –</b>		
<b>Bought US\$ Put Options</b> (delivery Oct 2014-Dec 2014)	US\$44 million	US\$0.9519 FX
<b>Bought US\$ Put Options</b> (delivery Jan 2015-Jun 2015)	US\$30 million	US\$0.95 FX
<b>Sold US\$ Call Options</b> (delivery Oct 2014-Dec 2014)	US\$29 million	US\$0.88 FX
<b>Sold US\$ Call Options</b> (delivery Jan 2015-Jun 2015)	US\$30 million	US\$0.8829 FX

## About the Company

Panoramic Resources Limited (ASX code: PAN) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004 and then purchased and restarted the Lanfranchi Nickel Project, near Kambalda in 2005. In FY2014, the Company produced a record 22,256t contained nickel and is forecasting to produce 20-21,000t contained nickel in FY2015.

Following the successful development of the nickel projects, the Company diversified its resource base to include gold and platinum group metals (PGM). The Gold Division consists of the Gidgee Project located near Wiluna and the Mt Henry Project (70% interest), near Norseman. Both projects are currently under feasibility study. The PGM Division consists of the Panton Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada.

Panoramic has been a consistent dividend payer and has paid out a total of \$111 million in fully franked dividends since 2008. At 30 June 2014, Panoramic had \$64 million in cash, no bank debt and employed around 400 people.

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. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record.

**For further information contact:**  
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*The information in this release that relates to Exploration Results and Exploration Targets 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.*



## Appendix 1

### ***Savannah North Project – Tabulation of Drill Hole Assay Results and JORC 2012 Compliance Tables***

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
SMD160	395547.1	8082735.1	2383.3	-86.2	182.0	1842.90	1365.92	1366.36	0.44m @ 2.12%	0.13	0.14

### ***Savannah North Project – 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> </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</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <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>	<p>form of QC was inserted in most sample batches.</p> <ul style="list-style-type: none"> <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>
<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: +808000N</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>

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>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>

## Savannah North Project - 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</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</li> </ul>

Criteria	JORC Code explanation	Commentary
	high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	mine drill holes, the report is considered to be sufficiently balanced.
<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

### Lanfranchi Project – Tabulation of Drill Hole Assay Results and JORC 2012 Compliance Tables

**Table 1 – Tabulation of Lanfranchi Project Drill Hole Assay Results**

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
HS788	392040.4	6513671.5	-818.5	-32.3	187.7	542.59			NSR		
HS789	392041.2	6513671.3	-818.8	-34.2	168.6	632.10			NSR		
LAN338	390130.1	6513012.4	-305.8	-49.3	248.5	104.40			NSR		
LAN339	390130.8	6513011.5	-306.0	-57.2	218.3	119.46	99.79	101.90	2.11m @ 5.62 %	0.33	0.1
LAN340	390130.8	6513011.3	-305.8	-47.2	211.7	164.30			NSR		
LAN341	390131.0	6513010.9	-306.0	-45.9	200.7	188.13	158.27 163.72	160.59 164.68	2.32m @ 3.39 % 0.96m @ 1.06%	0.12 0.11	0.08 0.03
LAN342	390132.9	6513014.0	-306.0	-75.9	180.3	89.68	76.84 79.77	78.00 81.16	1.16m @ 1.70 % 1.39m @ 10.60 %	0.13 0.62	0.04 0.22
LAN343	390132.1	6513011.3	-306.0	-62.7	175.1	131.49			NSR		
LAN344	390132.5	6513011.4	-306.0	-62.9	161.5	113.23			NSR		
LAN345	390134.3	6513013.8	-306.1	-53.1	145.1	145.00	130.02	131.87	1.85m @ 4.85 %	0.21	0.08
LAN346	390134.3	6513014.2	-306.1	-61.3	136.3	122.63	98.55	102.50	3.95m @ 4.96 %	0.27	0.09
LAN347	390134.7	6513014.6	-306.0	-59.7	117.8	120.87			NSR		
LAN348	390134.5	6513015.2	-306.2	-74.4	103.8	98.52			NSR		
LAN349	390135.2	6513015.6	-306.0	-53.4	88.4	149.34	135.83	137.77	1.94m @ 2.17 %	0.12	0.03
LAN350	390134.6	6513016.5	-305.8	-55.0	61.0	120.51	94.36	96.62	2.26m @ 1.27 %	0.1	0.03
LAN351	390134.6	6513017.3	-306.1	-50.2	44.9	113.41	65.84	66.90	1.06m @ 1.06 %	0.03	0.01
LAN352	390134.8	6513017.7	-306.1	-41.0	42.6	134.85	105.71	108.84	3.13m @ 4.17 %	0.37	0.06
LAN353	390133.3	6513017.3	-306.2	-62.3	15.7	83.58	60.49	62.30	1.81m @ 6.75 %	0.6	0.09
SMT339	391466.2	6514086.9	-493.8	-22.8	192.9	566.50			NSR		
SMT341	391466.2	6514086.9	-493.8	-12.9	208.3	413.30	145.70 153.40 158.35 160.40 176.28 362.07 371.51 375.00	152.20 156.24 159.36 174.09 178.63 363.74 372.46 376.10	6.50m @ 1.65 % 2.84m @ 1.11 % 1.01m @ 1.46 % 13.69m @ 1.43 % 2.35m @ 2.55 % 1.67m @ 1.62 % 0.95m @ 1.09% 1.10m @ 1.10 %	0.11 0.06 0.08 0.08 0.18 0.12 0.08 0.06	0.04 0.03 0.03 0.03 0.06 0.04 0.03 0.02
SMT342	391467.0	6514087.0	-493.9	-26.2	167.9	649.30			NSR		
SMT343	391468.0	6513877.6	-441.7	-35.7	251.3	224.79	177.89	187.00	9.11m @ 1.26 %	0.11	0.03
SMT345	391468.0	6513877.4	-441.5	-25.6	245.8	355.91			NSR		
TD8299	391188.6	6516123.8	334.6	-90.0	359.5	628.30			NSR		
TD8300A	391002.1	6516014.5	338.5	-90.0	359.5	707.10			NSR		
TD8301	391105.9	6516058.1	336.7	-90.0	359.5	828.20			NSR		
TD8302	391204.9	6515989.4	334.5	-90.0	359.5	701.70			NSR		
TD8303	391110.7	6515933.8	337.0	-90.0	359.5	810.50			NSR		
TD8304	391010.4	6515845.4	340.6	-90.0	359.5	846.50			NSR		

Table 1 (continued)

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
TD8305	391320.3	6515920.7	333.0	-90.0	359.5	816.79	765.86	770.00	4.14m @ 4.05 %	0.28	0.11
TD8306	391309.9	6516066.2	332.1	-90.0	359.5	588.81			NSR		
TD8307	391398.8	6516128.8	330.3	-90.0	359.5	600.50			NSR		
TD8308	391514.8	6516074.8	331.0	-90.0	359.5	537.10			NSR		
TD8309	391525.1	6515917.7	332.1	-90.0	359.5	666.70			NSR		
TD8310B	391524.0	6516227.1	330.1	-90.0	359.5	403.10			NSR		
TD8312	390895.6	6515926.0	340.9	-90.0	359.5	744.10	687.25	688.00	0.75m @ 6.04%	0.26	0.11
TD8313	390733.5	6515868.7	344.9	-90.0	359.5	1000.00			NSR		
TD8314	390485.0	6515865.8	342.6	-90.0	359.5	700.17			NSR		
TD8315	390364.5	6515927.6	341.5	-90.0	359.5	681.80			NSR		
TD8316	390473.0	6516007.1	340.3	-90.0	359.5	543.40			NSR		
TD8317	390722.4	6515991.0	342.5	-90.0	359.5	576.68			NSR		
TD8318	390831.7	6516086.9	338.7	-90.0	359.5	615.80			NSR		
TD8319	390360.5	6515788.0	344.5	-90.0	359.5	735.80			NSR		
TD8320	392463.3	6514313.0	342.3	-90.0	359.5	735.27			NSR		
TD8321	392356.6	6514308.5	342.7	-90.0	359.5	747.40			NSR		
TD8322	390481.1	6515706.3	346.1	-90.0	359.5	804.60			NSR		
TD8323	390618.9	6515791.2	345.9	-90.0	359.5	738.10			NSR		
TD8324	391217.6	6515849.0	334.6	-90.0	359.5	837.30			NSR		
TD8325	391409.6	6515972.5	331.8	-90.0	359.5	639.70			NSR		

LAN – drill hole assay results on down-plunge drilling at the Lanfranchi ore body

SMT – drill hole assay results on down-plunge drilling at the Schmitz/Jury-Metcalf mineralised zone

Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 1.0% Ni lower-cut off, maximum internal waste 1.0m, minimum intercept 0.75m



## Lanfranchi Project – 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>

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>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 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 1</math>SD from the expected value.</li> <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>Twining of drillholes is not performed at LNM</li> <li>Assay data are imported directly from the Kalassay assay files and QA/QC validated via Datashed 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</li> </ul>

Criteria	JORC Code explanation	Commentary
		security is considered adequate.
<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 Project – 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 (eg 'down hole length, true width not known').</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 reported, and clearly stated to be the case.</li> </ul>

Criteria	JORC Code explanation	Commentary
<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 accompany 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>