

Excellent results from current Savannah drilling program

Highlights

- **Excellent results from Resource definition drilling below the 900 Fault at Savannah**
- Best results include:
 - **8.95m @ 2.59% Ni**, 0.29% Cu and 0.16% Co in KUD1356
 - **5.73m @ 3.04% Ni**, 1.14% Cu and 0.19% Co in KUD1360
 - **13.63m @ 3.00% Ni**, 1.22% Cu and 0.19% Co in KUD1361
 - **17.55m @ 1.80% Ni, 0.66% Cu** and 0.11% Co in KUD1363, including **13.35m @ 2.08% Ni**
- Development of the Savannah North Drill Drive (the 1570 drill drive) is on schedule for completion in Q1 2015
- **Follow-up drilling of a strong “Savannah North” like EM response scheduled to begin in December 2014**
- On track to include the mineralisation below the 900 Fault in the June 2015 Savannah Resource and Reserve Statement

Details

Panoramic Resources Limited (“Panoramic”) is pleased to provide the following update on exploration activities at the Savannah Project. Since the last update (*refer ASX announcement of 28 July 2014*), the Company has focused its exploration activities on establishing the Savannah North 1570 Drill Drive and commencing Resource definition drilling below the 900 Fault (the existing Savannah orebody is being mined above the 900 Fault).

Resource drilling below the 900 Fault

Resource definition drilling of the area below the 900 Fault from the 1570m RL Drill Drive has commenced. To date, eight holes have been completed on Section 5825mE, 5775mE and 5725mE towards the eastern margin of the orebody (*see Figure 1*). Seven of the eight holes have intersected typical “Savannah Style” magmatic breccia textured massive sulphide mineralisation on the contact of the intrusion (*see Table 2 for a complete summary of drill results*). The better intersection results include*:

- **8.95m @ 2.59% Ni**, 0.29% Cu and 0.16% Co in KUD1356
- **5.73m @ 3.04% Ni**, 1.14% Cu and 0.19% Co in KUD1360
- **13.63m @ 3.00% Ni**, 1.22% Cu and 0.19% Co followed by **10.45m @ 2.26% Ni**, 0.61% Cu & 0.14% Co in KUD1361
- **17.55m @ 1.80% Ni, 0.66% Cu** and **0.11% Co** in KUD1363, including **13.35m @ 2.08% Ni**

* all intervals are down-hole lengths and not true widths,

The plan is to continue to drill in a westward direction, systematically defining the Mineral Resource around the contact of the Savannah Intrusion below the 900 Fault. Panoramic is aiming to define a Mineral Resource and Reserve for the mineralisation below 900 Fault for inclusion in the June 2015 Savannah Resource and Reserve Statement.

Exploration from the 1570 Drill Drive

The 1570 drill drive is being developed primarily to facilitate access to the Savannah North discovery allowing Resource definition drilling to commence. Development is currently on schedule and Resource definition drilling of the Savannah North area is planned to commence in the March 2015 quarter.

In the interim, the partially completed Drill Drive will be used to test a “Savannah North” like electromagnetic (EM) anomaly located between the existing Savannah mine workings and Savannah North (see Figure 1). The EM anomaly was identified in KUD1530 which was the last underground hole drilled prior to commencing development of the 1570 Drill Drive. KUD 1530 was completed at 901.4m and subsequently EM surveyed. The survey identified two significant conductors:

- the lower and slightly stronger conductor near the end of the hole is associated with the main Savannah North body of mineralisation; while
- the upper, slightly less conductive, conductor was centred around 500m down hole. This conductor is less well constrained due to the absence of supporting drill hole EM data and has initially been modelled as a **200m x 200m** plate located above KUD1530 and dipping towards the northwest.

The upper EM anomaly in KUD1530 was not followed up due the absence of a suitable drill position. The 1570 Drill Drive is approaching this area and the EM anomaly can be tested from Stockpile 5 on the 1570 Drill Drive, which is expected to become available by the end of the month.

Savannah North Exploration Target

In July 2014, the Company released an Exploration Target in the range of **3.2 to 6.4 million tonnes and a grade range of 1.5% to 2.1% Ni** (see Table 1) for the Savannah North discovery. The Company continues to use the Exploration Target to help guide its exploration efforts and to build understanding of the Savannah North area. Further details and disclosures can be found in the Company’s ASX release of 27 July 2014.

Table 1: Savannah North Exploration Target and supporting assumptions

Width of mineralisation (metres)	Plunge extent of mineralisation (metres)	Approximate thickness of mineralisation (metres)	Assumed average density (t/m ³)	Exploration target grade range %Ni		Exploration target tonnage range (million tonnes)
				Low	High	
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.

Figure 1: Plan View of Savannah North Project area showing position of underground and surface drill holes

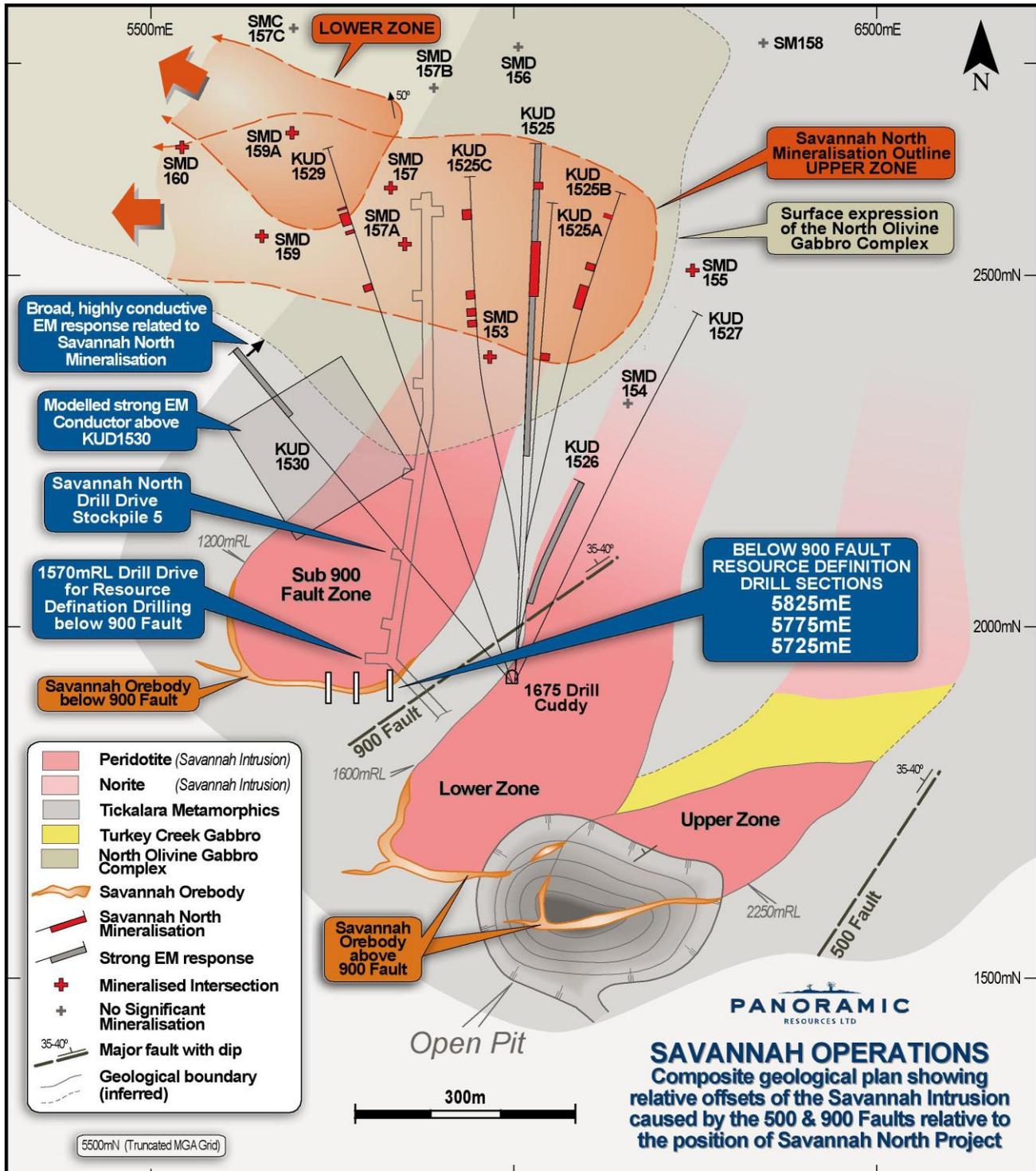


Figure 2: Cross Section View (2500mN) showing interpreted position of Savannah North Project mineralisation

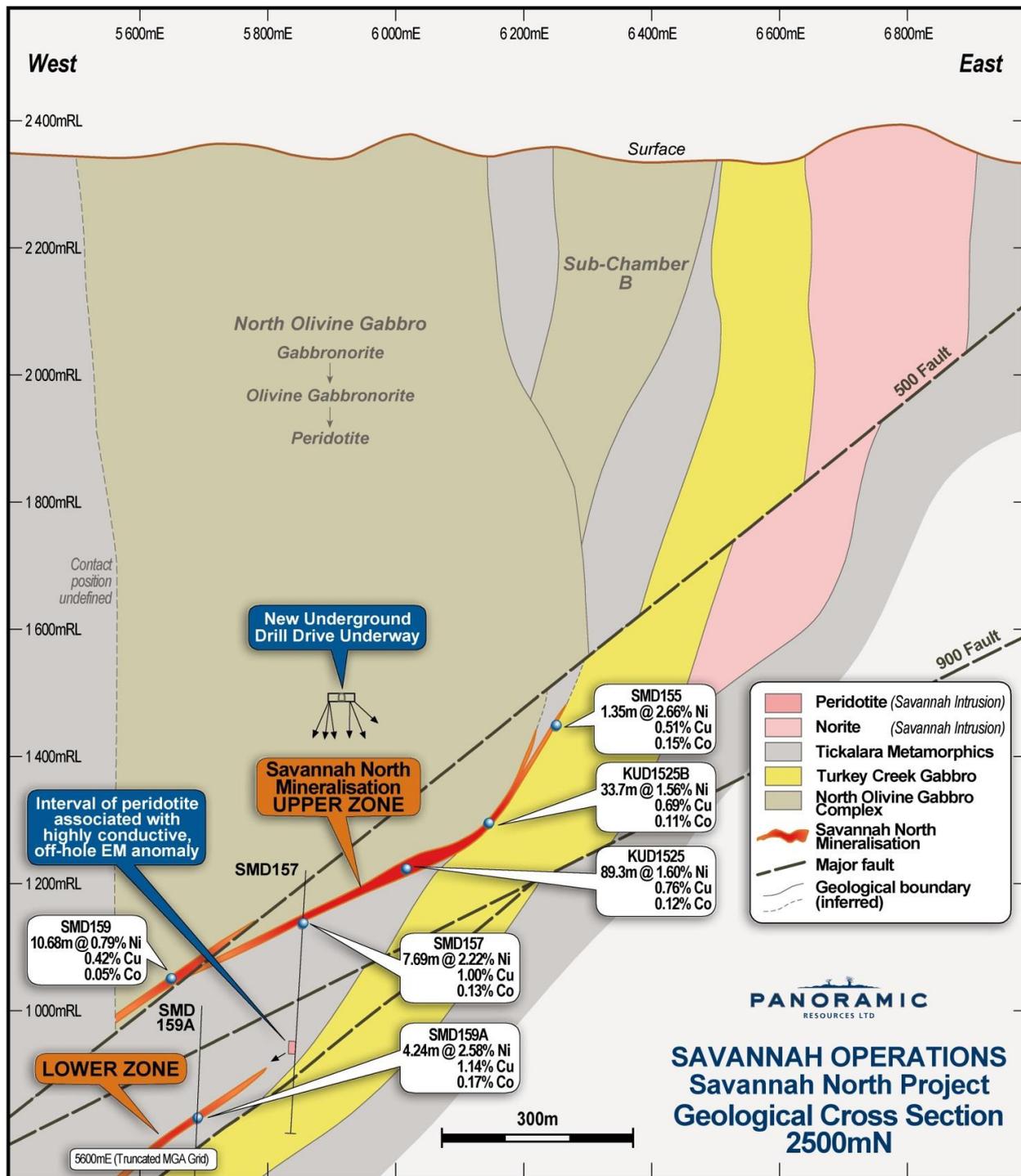


Table 2: Savannah Sub 900 Fault – Resource Definition Drill Results

Hole	East	North	RL	Dip	Azi	EOH	From	To	Intercept (Ni)	Cu (%)	Co (%)
KUD1355	395793.6	8081889.7	1541.7	-68.8	152.1	194.5	160.90	174.44	13.54m @ 0.94 %	0.20	0.06
KUD1356	395793.8	8081890.5	1541.7	-79.0	132.2	245.6	217.55	226.50	8.95m @ 2.59 %	0.29	0.16
KUD1357-A	395794.1	8081891.4	1541.7	-82.6	99.2	308.8			NSR		
KUD1359-A	395792.3	8081889.9	1541.8	-73.6	192.3	199.3	183.72	184.60	0.88m @ 1.98 %	0.30	0.12
KUD1360	395791.9	8081890.2	1541.7	-81.6	206.3	272.5	206.34	212.07	5.73m @ 3.04 %	1.14	0.19
KUD1361	395791.6	8081890.3	1541.8	-84.5	221.5	320.6	220.50	234.13	13.63m @ 3.00 %	1.22	0.19
							244.15	254.60	10.45m @ 2.26 %	0.61	0.14
							295.24	300.30	5.06m @ 2.04 %	0.67	0.13
KUD1362	395791.8	8081889.9	1541.8	-86.0	245.7	353.5	227.15	232.20	5.05m @ 2.43 %	2.15	0.15
									2.75m @ 0.97 %	0.27	0.06
KUD1363	395791.5	8081890.1	1541.8	-61.8	215.6	224.5	195.85	213.40	17.55m @ 1.80 %	0.66	0.11
							195.85	209.20	13.35m @ 2.08 %	0.79	0.13

- Notes:
1. Intervals are down-hole lengths, not true-width
 2. Parameters: 0.5% Ni lower-cut off, with discretionary internal waste to a maximum of 3.00m
 3. Intercepts < 1.5 % m not included
 4. NSR – No Significant Result

Disclosure - Table 2 is a summary of the Savannah Sub 900 Fault Resource Definition Drill Program results described in this release. The JORC 2012 compliance table for the reporting of exploration results (section 1 and section 2) is provided in Appendix 1.

Competent Person

The information in this release that relates to Exploration Targets and Exploration Results is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights in relation to 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 he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

About the Company

Panoramic Resources Limited (ASX code: PAN) 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 Pantom 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.

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Appendix 1 – JORC 2012 Disclosures

Table 1, Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Mineralisation intersected by exploration or resource definition drill holes at Savannah is sampled by diamond drilling techniques. Holes have been drilled from underground and surface drill locations. Drilling is typically conducted on a regular spacing, sufficient to achieve the objectives of the drill program. Drill hole collars are surveyed using Leica Total Station survey equipment by a registered surveyor. Downhole surveys have been typically performed every 30 metres using either "Reflex EZ Shot" or "Flexit Smart Tools". All diamond core 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 includes pulverising to 90% passing 75 µm followed by either a 3 acid digest & AAS finish at the Savannah onsite laboratory or a total 4 acid digest with an ICP OES finish if the samples are analysed off-site.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> A mix of HQ and NQ2 sized diamond drilling has been used to obtain all samples sent for assay. Some RC drilling is used to establish a pre-collar.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Diamond core recoveries are logged and recorded in the database. Overall recoveries are >99% and there are no apparent core loss issues or significant sample recovery problems. Depths checked against core blocks, regular rod counts, driller breaks checked by fitting core together. No relationship exists between sample recovery and grade
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All holes have been geologically logged in full. Geotechnical logging is carried out on all diamond drillholes for recovery and RQD. Number of defects (per interval) and roughness is measured around the ore zones. Structure type, alpha angle, infill, texture and healing are stored in the structure table of the database. Logging of diamond core RC samples records lithology, colour, mineralisation, structural (DDH only) and other features. Core is photographed wet. All drill holes are logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Analytical core samples include a mix of full and sawn half core samples. All samples are from core All core sampling and sample preparation follow industry best practice. QC involves the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC is inserted in most sample batches. Original versus duplicate assay results show a strong correlation due to massive sulphide rich nature of the mineralisation. Sample sizes are considered appropriate to represent the "Savannah Style" of mineralisation.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The Savannah Nickel Mine (SNM) onsite laboratory standard analytical technique is a 3-acid digest with an AAS finish. The method best approaches total dissolution for most minerals. The onsite exploration sample analytical method for Ni,Cu,Co is AAS 22S. Exploration samples sent off-site are analysed using a 4-acid digest with either ICP OES or AAS finish (AAS for ore grade samples). No other analytical tools or techniques are employed. The onsite laboratory is run by SGS Laboratory Services. The onsite laboratory carries out sizing checks, uses internal standards, duplicates, replicates, blanks and repeats. A selection of roughly 10% of pulps is sent to external laboratories for repeat analysis and sizing checks. No bias has been identified.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Drilling and sampling procedures at SNM have been inspected by many stakeholders since the project began. These same procedures are being used for Savannah North. The practice of twinning holes is not employed at Savannah. Holes are logged into Excel templates on laptops. The data is then entered into a MS Access database with user data entry front end built in. Data is ultimately transferred to SQL servers in Perth office. Data periodically validated by site personnel. No adjustments have been made to assay data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All diamond drill hole collars are surveyed using Leica Total Station survey equipment by a registered surveyor. "Reflex EZ Shot" or "Flexit Smart Tool" is used for downhole surveys at approximately every 30m. The mine grid is a truncated 4 digit (MGA94) grid system. Conversion from local grid to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +808000N Topographic control is well established, RL equals AHD + 2,000m .
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> When at an early stage of exploration, drill holes are spaced on a geological basis as opposed to a nominal drill hole spacing. For the most part drilling is typically conducted on a regular spacing, sufficient to achieve the objectives of the drill program At this stage the spacing and quantum of drilling below the 900 Fault at Savannah and at Savannah North is insufficient to derive a Mineral Resource. Sample compositing is not undertaken at SNM.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The geometry of the Savannah and Savannah North mineralisation to most drill positions is nearly always oblique. For this reason all SNM drill results are reported as down-hole intersection lengths and not true widths. No orientation sampling bias has been identified.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples transported to onsite lab by SNM staff. Samples sent off site are road freighted (Nexus transport) and tracked using spreadsheets onsite.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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 SNM provides confidence in the sampling procedures.

Table 1, Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Savannah Nickel Mine (SNM) is an operating mine secured by five contiguous Mining Licences. All tenure is current and in good standing. SNM has the right to explore for and mine all commodities within the mining tenements, being ML's 80/179 to 80/183 inclusive. The SNM is an operating mine with all statutory approvals and licences in place to operate. The mine has a long standing off-take agreement to mine and deliver nickel sulphide concentrate to the Jinchuan Group in China.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The SNM is based on mining ore associated with the Savannah Intrusion; a palaeo-proterozoic mafic/ultramafic magma conduit. The Ni-Cu-Co rich massive sulphide mineralisation occurs as "classic" magmatic breccias developed about the more primitive, MgO rich basal parts of the conduit.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> All exploration at SNM is conducted on the Savannah mine grid, which is a "4 digit" truncated MGA grid. Conversion from local to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000. RL equals AHD + 2,000m Surface holes are generally cored from surface commencing with PQ, reducing to HQ and completed NQ2. RC precollars may also be used. Underground holes are drilled via a combination of HQ and NQ2 sized core For hole details pertaining to this release including collar and setup details, see Tables within the body of the main release. The design and interpretation of EM surveys conducted at Savannah for Panoramic is undertaken by Newexco Services Pty Ltd in Perth.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All assay intersections for the Savannah Project are reported based on a weighted average grade for the intersection using parameters of 0.5% Ni lower cut-off, SG, minimum reporting length of 1m and maximum internal waste of 7m. Cu and Co grades were determined by the defined Ni grade interval, ie they were not calculated independently.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The geometry of the Savannah and Savannah North mineralisation to most drill positions is nearly always oblique. For this reason all drill results are always reported as down-hole intersection lengths and not true widths.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Based on the limited level of data currently available for the Savannah Sub 900 Fault resource definition drill program and the Savannah North Project area Panoramic believe that a simplified plan and sectional view showing the location of the exploration drill results in relation to the main areas of the SNM operation is appropriate.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Based on the fact that exploration results reported for the Savannah North Project to date are at an early stage, involving broadly spaced drill holes and EM survey data, (located well away from the mine), the report is considered to be sufficiently balanced.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No other exploration data is considered material to this release at this stage.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The exploration results reported herein form part of an ongoing exploration program by Panoramic to explore the Savannah orebody at depth and the Savannah North Project area following the discovery of significant “Savannah Style” Ni-Cu-Co mineralisation at Savannah North in January 2014. Details of the Company’s plans for the Savannah North Project were outline in ASX announcement dated 28 February 2014 and updated herein this document. Further results will be reported when they become available.