



Lanfranchi Update

Key Points

- Improved treatment terms for processing of Jury-Metcalf ore
- Jury-Metcalf decline/exploration drill drive development approved
- Lanfranchi production profile to change post June 2015
- Significant EM anomalies located down-plunge of Schmitz and Martin – follow up drilling to commence shortly

Details

Panoramic Resources Limited (“Panoramic”) is pleased to announce that, having secured an amendment to the existing Lanfranchi Ore Tolling and Concentrate Purchase Agreement for Jury-Metcalf ore deliveries (see the Company’s ASX announcement of 19 November 2014), the Company has made the decision to commence development of the Jury-Metcalf decline/exploration drill drive. The decline will allow access to the Jury-Metcalf orebody and exploration drill platforms to continue further exploration of the Jury-Metcalf area and down-plunge of Schmitz.

Jury-Metcalf

The Jury-Metcalf Resource is **312,000t at 1.94%Ni for 6,000t of contained nickel** and the Reserve is **238,000t at 1.58%Ni for 3,800t of contained nickel** (see Company’s ASX announcement of 1 October 2014). Following the signing of the Amendment to the 2004 Ore Tolling and Concentrate Purchasing Agreement which relates to Jury-Metcalf ore only, the Company has made a decision to develop the Jury-Metcalf decline. The approval is for the construction of the decline only. A second decision, to commence production, will need to be made during the June 2015 quarter.

The current plan contemplates approximately 6-9 months of pre-development activities while the decline and relevant supporting infrastructure is established, including installation of an electrical substation. The decline is approximately 0.7km in length to first ore and will be developed from the existing workings at the base of the Schmitz decline (see Figure 1) at a cost of approximately A\$3million. The decision to commence production of Jury-Metcalf will be dependent upon the prevailing and forecast nickel prices during the June 2015 quarter. For reference, the June 2014 Jury-Metcalf Reserve was based on an average nickel price of A\$20,600/t (see Company’s ASX announcement of 1 October 2014).

In Mine Exploration Update

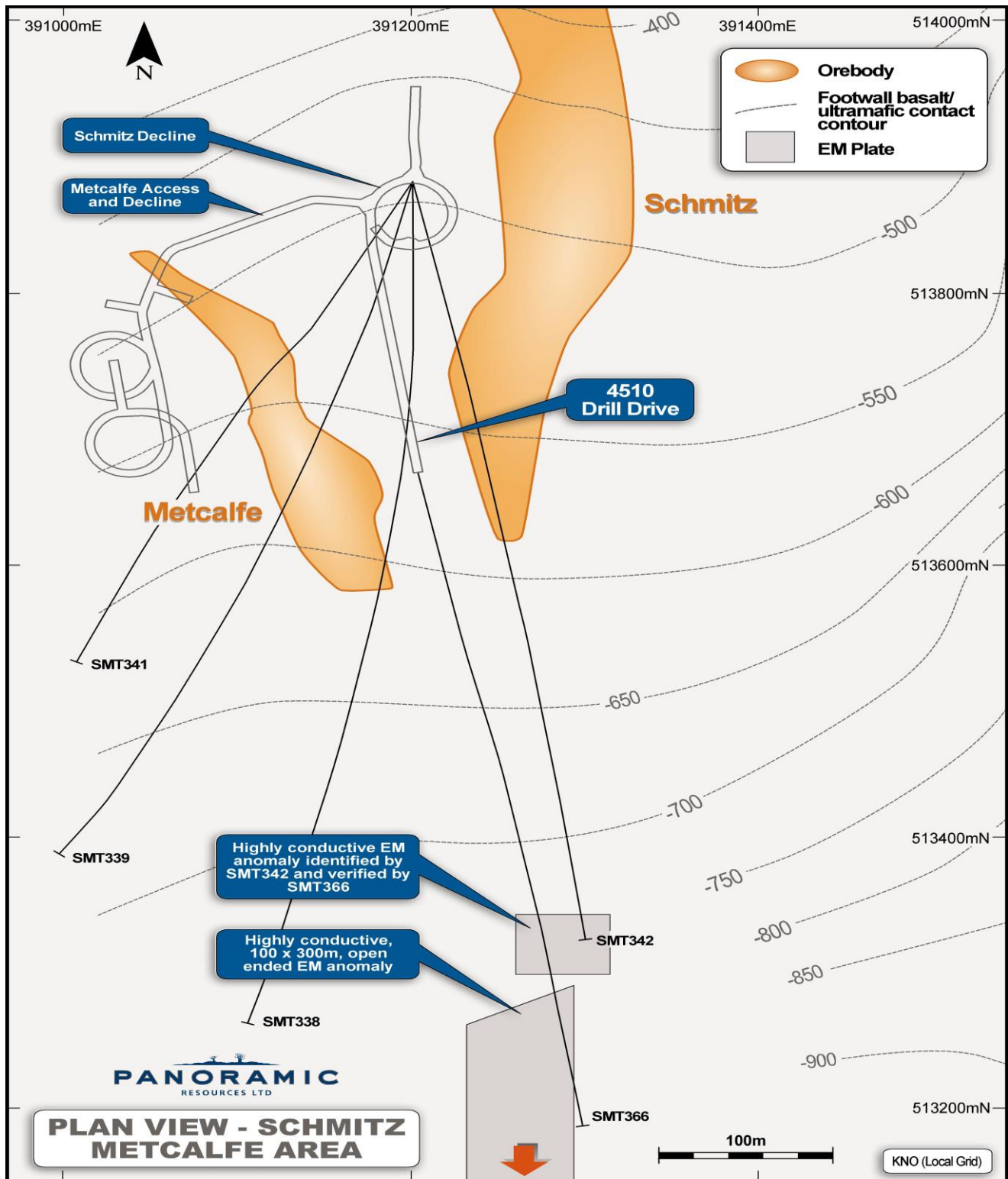
Schmitz Channel

Recently completed drilling down dip of the Schmitz channel has identified a **strong EM conductor approximately 300 metres to the south of the current Schmitz Resource** (Figure 1). The vertical distance between the top of the EM conductor and the currently planned end point of the Jury-Metcalf decline is 130 metres. Follow up drilling is due to commence shortly.

An EM anomaly was originally detected near the end of drill-hole SMT342, one of four holes drilled from the Schmitz decline to provide EM coverage down-plunge of Schmitz and Jury-Metcalf. Because the anomaly in SMT342 occurred at the very end of the hole, it was incomplete and difficult to interpret. In order to verify the anomaly, drill hole SMT366 was drilled from the 4510 Drill Drive 150m further to the south. The EM survey of SMT366 verified the SMT342 anomaly and, **more importantly, identified a series of new, highly conductive anomalies from 540 metres down hole to the end of hole at 635 metres**. The new anomalies in SMT366 can be modelled as a **single, highly conductive, 300mx100m conductor** located to the west of SMT366. **The conductor is open to the south beyond the end of SMT366.**

The position and highly conductive character of the modelled conductor is indicative of massive sulphide mineralisation and may indicate a continuation of the Schmitz orebody. Follow-up drilling is being planned and will commence shortly to test this exciting target

Figure 1 – Plan View of Schmitz and Jury Metcalfe showing new Jury Metcalfe decline and EM targets

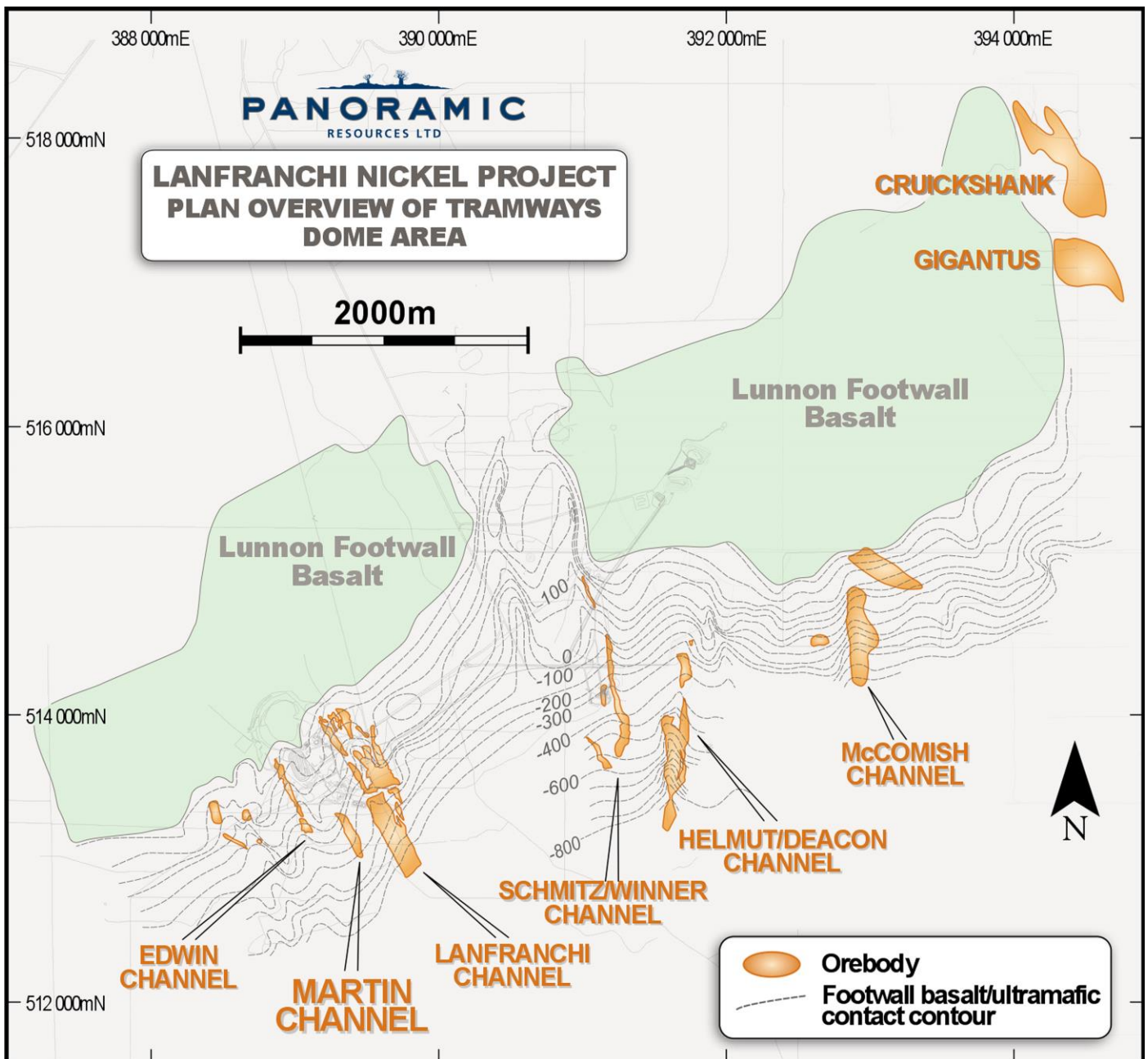


Martin Channel

Based on recently completed drilling, a strong EM anomaly has also been identified extending down-plunge from the current Martin Resource. The Martin Resource is located approximately 250 metres to the west of the Lanfranchi Channel. Follow up drilling has been planned and is due to commence shortly.

The Martin Resource is a thin lens of high grade massive sulphide mineralisation located in a small channel feature to the west of the Lanfranchi channel (Figure 2). The southern-most drill section is currently at 513,000mN. Panoramic has recently completed two platform EM holes, down-plunge of the resource, with the aim of determining if a continuation of the Resource can be identified by EM surveys. Data quality for both EM surveys was excellent and confirmed the presence of a strong EM anomaly below Martin. The EM data has been modelled as a highly conductive, 100 x 130m conductor centred 200 metres down-plunge of Martin on Section 512,800mN. The depth below surface to the centre of the conductor is a modest 430 metres, making follow-up drill testing from surface the preferred option.

Figure 2 – Plan View of Martin Channel in relation to the Lanfranchi Channel



Lanfranchi Operations post June 2015

Assuming a decision is made to commence production of the Jury-Metcalf orebody this will see the Lanfranchi Operation transition from a base load of ore sourced from the Deacon orebody, currently expected to be depleted by the end of the June quarter 2015, to a base load of ore sourced from the Jury-Metcalf orebody plus additional ore from Lanfranchi, Schmitz and Helmut South Extension orebodies. Assuming a decision to mine Jury-Metcalf is made, steady state production could be achieved from Jury-Metcalf during the September 2015 quarter at a rate of approximately 15,000t ore per month. The nominal mine life of Jury-Metcalf is 16 months, based on the June 2014 Reserve. The transition to Jury-Metcalf is expected to result in a reduced production profile at the Lanfranchi Operation from the current production levels (**guidance for FY2015 is 11-12,000t Ni**) to a production rate in the range of **5-6,000t Ni for FY2016**. If the nickel price does not support mining the Jury-Metcalf orebody, the Lanfranchi Operations will need to be restructured, with production post June 2015 significantly curtailed.

Commentary

The Company remains positive on the short to medium term outlook for Lanfranchi. A number of forecasters are expecting the US\$ nickel price to rise strongly into 2015 and there are a number of very exciting exploration targets to follow up at Lanfranchi including known EM conductors, possible extensions to orebodies within existing channels and potential new channels that could host mineralised systems. Notwithstanding, without a significant new discovery at Lanfranchi, once the Deacon Reserve is depleted the current production levels at Lanfranchi will not be sustainable.

The Company continues to actively explore at Lanfranchi with the focus on targets (ie. down plunge Schmitz, EM targets at Martin and the East Deacon Channel) which are close to existing mine infrastructure. The 2004 Ore Tolling and Concentrate Purchasing Agreement with BHP Billiton Nickel West runs until 2019 which gives Lanfranchi significant opportunity to benefit from any future exploration success. In addition, Nickel West's decision to provide separate terms for discrete lower grade orebodies (like Jury-Metcalf) bodes well for other low grade Resources at Lanfranchi.

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 September 2014, Panoramic had \$70 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:
Peter Harold, Managing Director
+61 8 6266 8600