



Thunder Bay North – Earn-In to Proceed

Highlights

- Rio Tinto Exploration Canada Inc. (RTEC) has advised they intend to enter the Earn-in Option phase at Thunder Bay North (“TBN”)
- RTEC’s decision to progress continues to demonstrate the prospectivity of the Thunder Bay North Project

Key Points

On 30 July 2014, Panoramic announced that it had entered into an Earn-in and Option to Joint Venture Agreement with RTEC on Panoramic’s Thunder Bay North Project located in Ontario, Canada. Under the terms of the Agreement (*details provided below*), RTEC had until 31 December 2014 to complete the Exploration Target Generation (“ETG”) phase of the Agreement which was focused on due diligence and determining the exploration potential of the Consolidated Project /Property (being TBN and RTEC’s Escape Lake Project).

RTEC has advised they are exercising their rights under the Agreement and intend to move forward with the Earn-in. In accordance with the Agreement, RTEC has provided formal notification of their intention to proceed.

This is an exciting and positive development for the TBN Project as it will bring the skills and resources of RTEC into the Project and continues to support Panoramic’s view of the prospectivity of the Project.

Earn-in and Option to Joint Venture Details

The key terms of the Agreement previously released on 30 July 2014 include:

Phase 1 - Exploration Target Generation (ETG) - Prior to 31 December 2014, RTEC will spend C\$250,000 and PAN 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. RTEC has now advised that they have incurred expenditures of approximately C\$440,000 during the ETG phase. Having received formal notification from RTEC of their intention to proceed sees the Agreement move to Phase 2 (*see below*).

Phase 2 – The Earn-in Option – Having completed the ETG phase, RTEC has elected to enter the Earn-in phase to earn a 70% interest in the TBN Project by sole funding C\$20 million of expenditure over a five year period. Having elected to proceed with the Earn-in, 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 does not earn its 70% interest, PAN will have certain rights to purchase 100% of RTEC’s Escape Lake Project (“EL”).

Phase 3 – Joint Venture - If RTEC earns its 70% interest by spending C\$20 million, then PAN will acquire a 30% interest in EL and a contributing Joint Venture will be established on 70/30 basis (RTEC/PAN). Once the Joint Venture is formed, RTEC will, as Manager:

- maintain the Consolidated Property in good standing; and
- manage the Joint Venture.

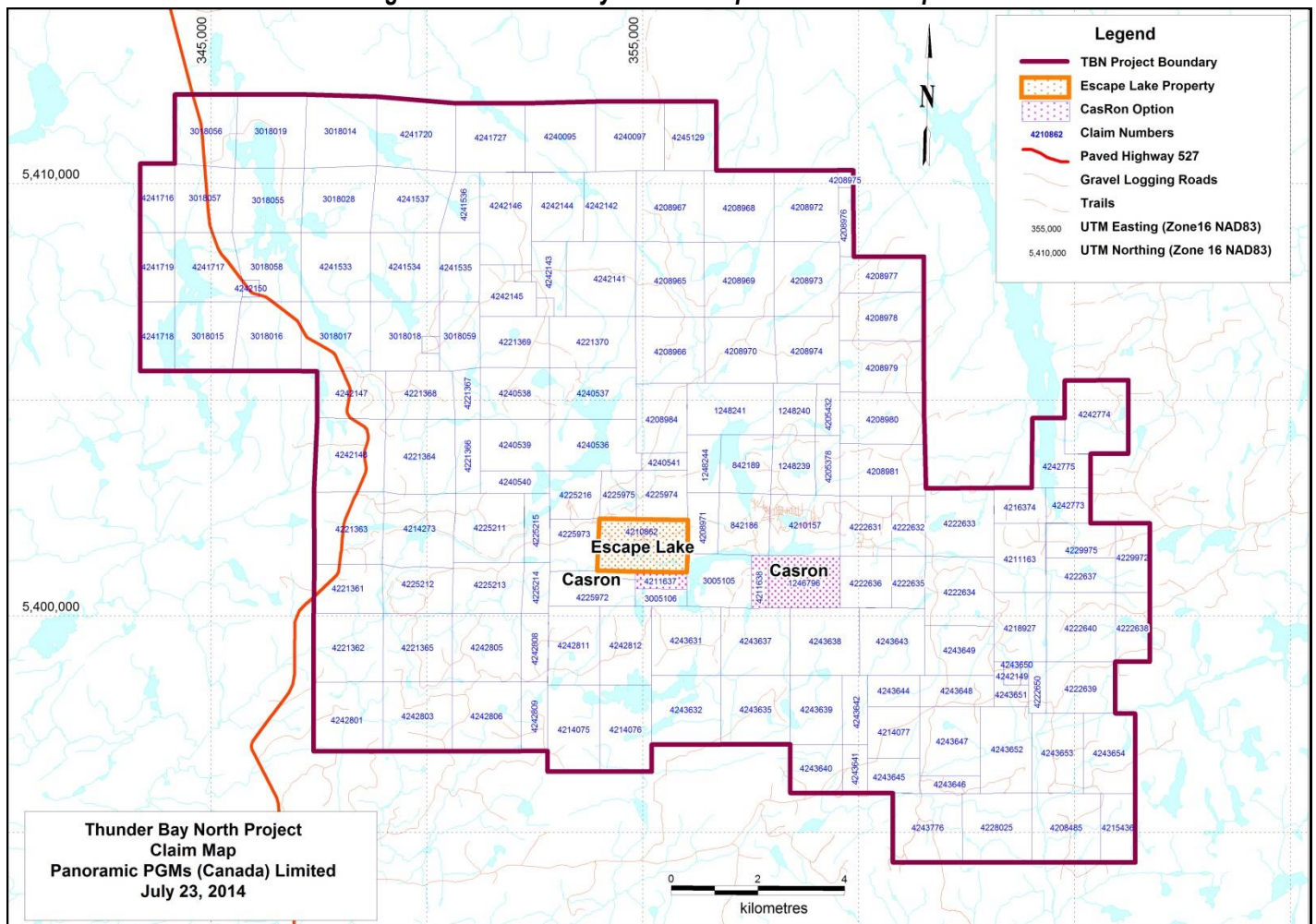
Rationale for the Transaction

Panoramic believes that RTEC electing to move forward into the Earn-in phase of the Agreement continues to provide 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.

Panoramic also believes the skills, expertise and resources that RTEC will be able to bring to the Consolidated Project are a strong vote of confidence in the overall Project. The potential significant financial commitment from RTEC of up to C\$20.25 million over five and half years (from July 2014) will help to advance the Project.

The transaction continues to allow Panoramic to simplify its project development portfolio while maintaining exposure to any exploration success at the Consolidated Project. **The transaction allows Panoramic to focus its available personnel and financial resources towards its core nickel business, advancing the Panton PGM project located approximately 60km to the south of our 100% owned Savannah Nickel Operation, advancing the feasibility studies on our gold projects and other corporate initiatives.**

Figure 1 – Thunder Bay North/Escape Lake Claim Map



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 31 December 2014, Panoramic had \$61 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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