

30 January 2015

## Quarterly Report for the period ending 31 December 2014

### Significant Points

#### GROUP

- Safety – three Lost Time Injuries recorded. Focus is on contractor management and the auditing of safety systems
- Group Nickel Production - **4,825t Ni, on budget**
- FY2015 production guidance - **20-21,000t of contained nickel maintained**
- Costs - Group payable cash costs (inclusive of royalties ) of **US\$5.07/lb (A\$5.92/lb), C1 Cash Cost A\$3.77/lb**
- Liquid Assets - **\$79 million**

#### NICKEL

##### Savannah

- Production - **2,003t Ni in concentrate**
- Costs - payable cash costs A\$6.22/lb Ni (inclusive of royalties)
- Exploration - **excellent drilling results continue below the 900 Fault**
- Savannah North - **development of exploration drive ongoing**
- Copernicus - **open pit mining commenced, ~7,000t ore blended and processed with Savannah ore**

##### Lanfranchi

- Production - **2,822Ni in ore**
- Costs - payable cash costs A\$5.66/lb Ni (inclusive of royalties), **down 8%**
- Exploration - **new area of high-grade mineralisation discovered below Schmitz**
- Jury-Metcalf - development of decline/exploration drive commenced

#### GOLD

##### Gidgee

- Feasibility Study work continuing

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

- Feasibility Study – work continuing, variability of gold recovery between site water and scheme water resolved

#### PGM

##### Panton

- Fresh ore samples collected in readiness for flotation optimisation test work to commence in the March 2015 quarter

##### Thunder Bay North

- **Rio elected to proceed to the Earn-in Option Phase**, spending C\$20 million (minimum C\$5 million) over 5 years to earn 70% of the Project

#### CORPORATE

- Share Buy-back - on-market buyback commenced
- Hedging - US\$ diesel price call options purchased, providing a ceiling price while retaining exposure to further falls

## Managing Director's Commentary

- **Safety and Environment** - three Lost Time Injuries (LTIs) were recorded. Principal Hazard Management Plans have been developed at both operations and the Panoramic Safety Management System has been reviewed and updated. Whilst there have been many improvements in our safety systems and processes, three LTIs is not acceptable and we are focusing on contractor management and on auditing our safety systems to improve performance.
- **Liquid Assets** - **cash and receivables totalled \$79 million at quarter end, with cash at bank of \$61 million.** The Nickel Division generated a **\$7 million operating surplus** (after including Perth Office costs).
- **Nickel Division**

**Production** - **Group nickel in concentrate/ore was on budget at 4,825t.** Mining ore at the Copernicus open-pit began in late November, with ore trucked, blended with Savannah ore and treated at the Savannah Mill.

**Costs** - the Group payable unit cash cost (inclusive of royalties) averaged A\$5.92/lb, up marginally on the previous quarter. **On a US\$ basis, the Group payable unit cash cost averaged US\$5.07, which was down 7%.** Aggregate site costs were down at Lanfranchi and up at Savannah (which now include the contribution from Copernicus), so steady on a Group basis.
- **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. As announced on 16 January 2015, **RTEC spent ~C\$440,000 on detailed due diligence on the Thunder Bay North (TBN) Project in the second half of 2014 before electing to proceed to the Earn-in Option Phase.** RTEC is required to spend C\$20 million (minimum C\$5 million) on exploration and technical studies over five years to earn a 70% equity interest in the TBN Project.

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 strongly supports our view on the prospectivity of the Project. Importantly, RTEC's decision will allow Panoramic to focus its resources towards its core nickel business, advancing the Panton PGM Project, the gold projects and other corporate initiatives.

At Panton, the recently completed desk-top study by GR Engineering Services Limited on previous metallurgical test work has confirmed the opportunities to improve the flotation performance of the Panton ore. In January 2015, fresh samples were collected for metallurgical test work.
- **Exploration** - the Group's exploration programs remain heavily focussed on adding mine life at both nickel operations and we are having success:
  - *Lanfranchi* - **exciting new area of mineralisation has been intersected below Schmitz.**
  - *Savannah North* - the exploration drive to facilitate Resource and Reserve definition drilling and to further test the two zones of mineralisation is nearing completion.
  - *Savannah sub 900 Fault* - **excellent results have been received from Resource definition drilling.**
- **Corporate**

**Share Buyback** - as at the date of this report, 851,809 shares in the Company have been bought back and cancelled.

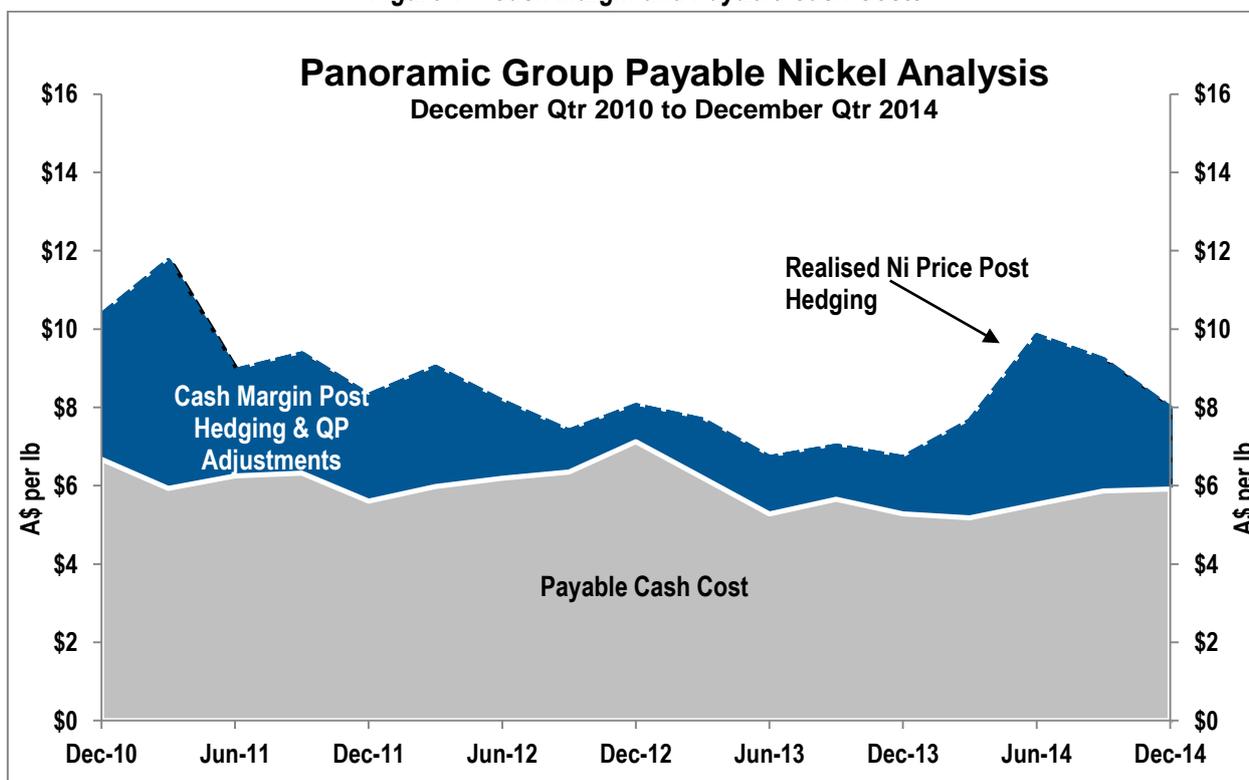
**Cost Savings** - we remain strongly committed to securing sustainable cost savings and productivity improvements across the business. The recent reduction in the diesel price is of significant benefit.

**Hedging** - the Company has taken advantage of the fall in the oil price and purchased ~2.0 million litres of US\$ diesel call options at an exercise price of US\$0.48/litre for delivery July 2015 to December 2015 (330,000/litres per month).

## 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 December 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 (a) 3mths ending 31 Dec 2014	Lanfranchi 3mths ending 31 Dec 2014	Total Group 3mths ending 31 Dec 2014	Total Group Previous Qtr Sep 2014
Ore Mined	dmt	206,523	125,450	331,973	338,365
Average Mined Nickel Grade	%	1.19	2.25	1.59	1.62
Nickel in Ore Mined	dmt	2,466	2,822	5,288	5,471
Nickel in Concentrate/Ore	tonnes	2,003	2,822	4,825	5,178
Copper in Concentrate/Ore	tonnes	1,207	254	1,461	1,567
Cobalt in Concentrate/Ore	tonnes	111	-	111	108
<b>Costs Per Pound Payable Nickel</b>					
Mining	A\$ per lb	3.78	3.55	3.65	3.56
Milling	A\$ per lb	1.81	-	0.83	0.74
Administration	A\$ per lb	1.61	0.73	1.13	0.98
<b>Payable Operating Cash Costs (Mine Gate)</b>	<b>A\$ per lb</b>	<b>7.20</b>	<b>4.28</b>	<b>5.61</b>	<b>5.28</b>
Haulage	A\$ per lb	0.31	0.29	0.30	0.28
Port Charges/Shipping	A\$ per lb	0.32	-	0.15	0.10
Ore Treatment	A\$ per lb	-	1.00	0.54	0.77
Net By-product Credits	A\$ per lb	(2.16)	(0.14)	(1.06)	(1.04)
Royalties	A\$ per lb	0.55	0.23	0.38	0.48
<b>Total Payable Operating Cash Costs<sup>(b)</sup></b>	<b>A\$ per lb</b>	<b>6.22</b>	<b>5.66</b>	<b>5.92</b>	<b>5.87</b>
<b>Total Payable Operating Cash Costs<sup>(c)</sup></b>	<b>US\$ per lb</b>	<b>5.33</b>	<b>4.85</b>	<b>5.07</b>	<b>5.43</b>

(a) Including contribution from Copernicus

(b) Group capital development cash cost for the quarter was A\$0.79/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.

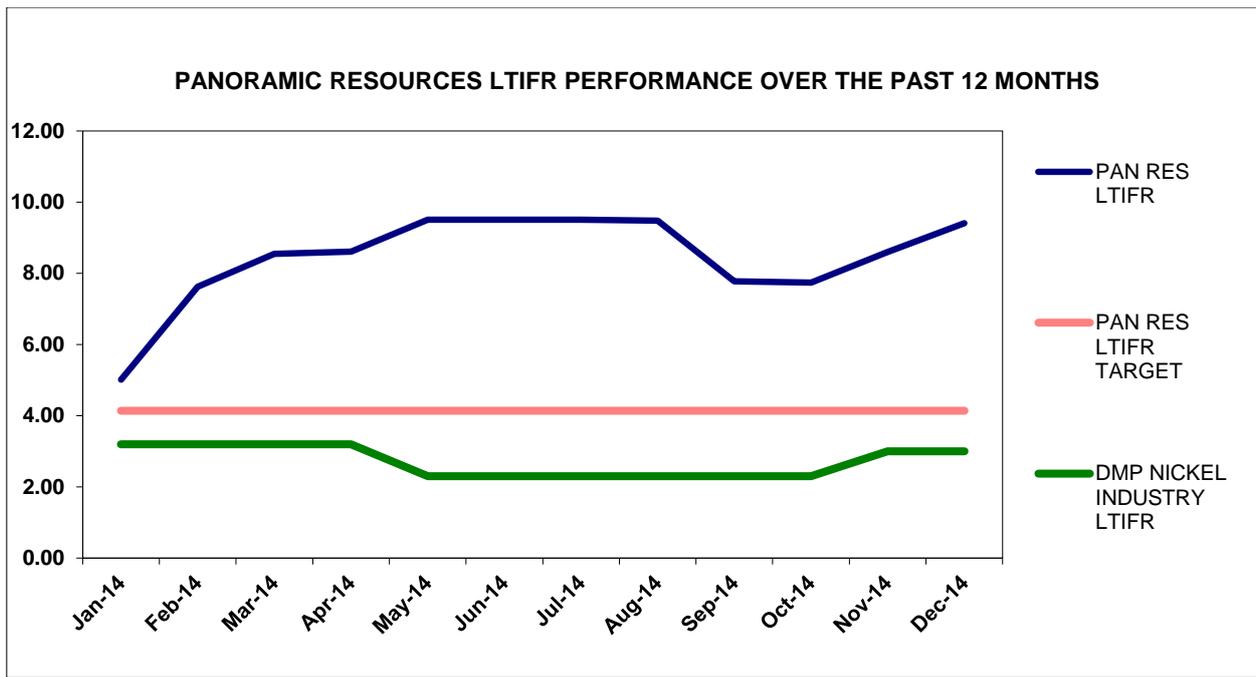
(c) Average December 2014 quarter RBA US\$/A\$ settlement rate of US\$0.8566 (Average September 2014 quarter exchange rate was US\$0.9253).

## Safety

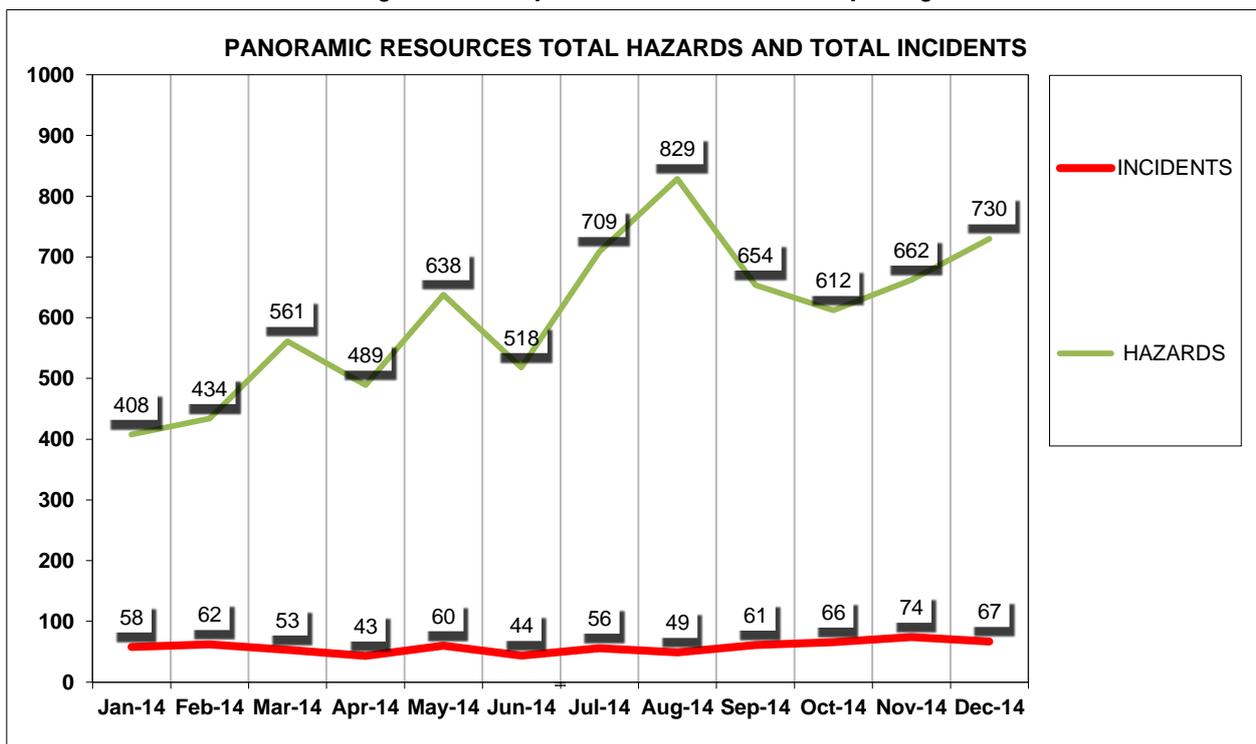
Three lost time injuries (LTIs) were reported. Two LTIs at Savannah were to (1) a contract truck driver who suffered a fractured leg while unloading poly pipe and (2) to a boilermaker who had a minor burn which became infected. At Lanfranchi, a contract diamond driller cut his hand while carrying out a rig move. This result is unsatisfactory and the Company is working hard with all contractors and employees to improve safety performance and to ensure the work practices that led to the LTIs are not repeated.

The 12 month moving average Group LTI Frequency Rate (LTIFR) increased from 8.15 to 9.41. 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. Hazard reporting remains high with a steady number of incidents occurring.

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



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



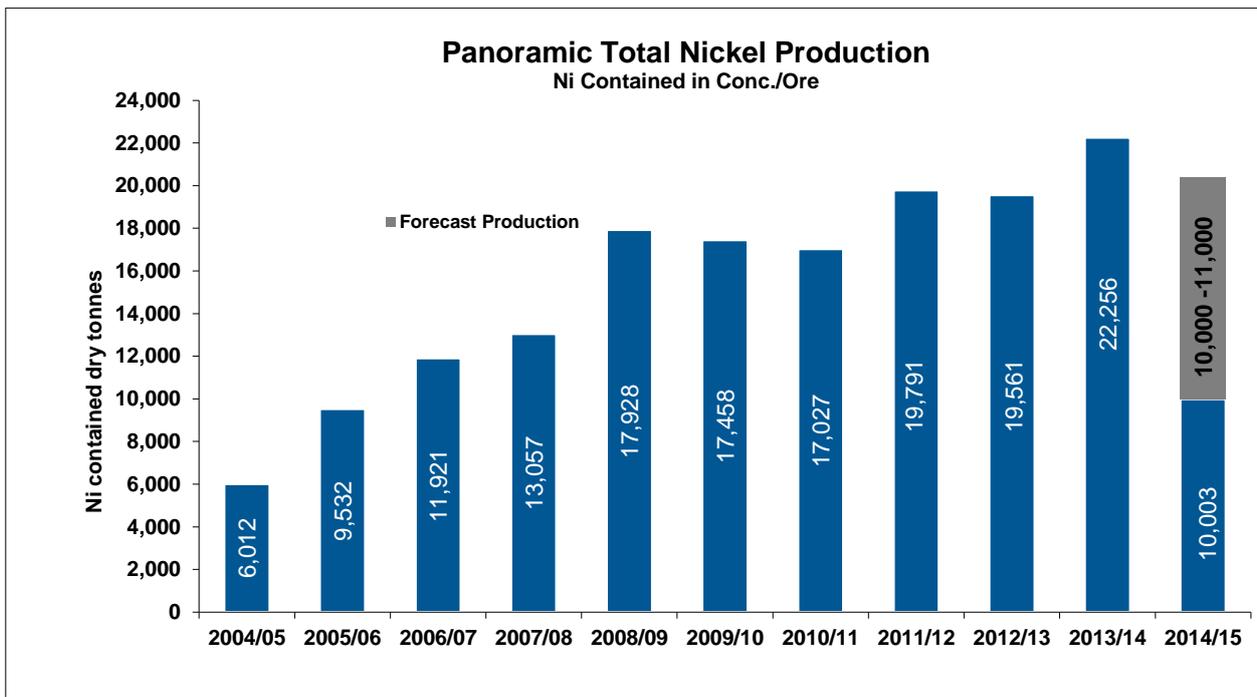
## Environment

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 on budget at 4,825t 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 2,003t Ni, 1,207t Cu and 111t Co contained in concentrate.

In December, the mill was down for four days planned maintenance. During the shutdown, some corrosion issues were identified in the concentrate thickener and the mill was down for a further six days to perform additional maintenance. As a result, production was impacted in December.

Mining commenced at the Copernicus open pit in late November and ~7,000t of ore was trucked, blended and processed with Savannah ore in December.

Four concentrate shipments for a combined 2,004t contained nickel were exported to China. As at 31 December 2014, there was 207t contained nickel at Wyndham waiting to be shipped.

### Savannah North

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

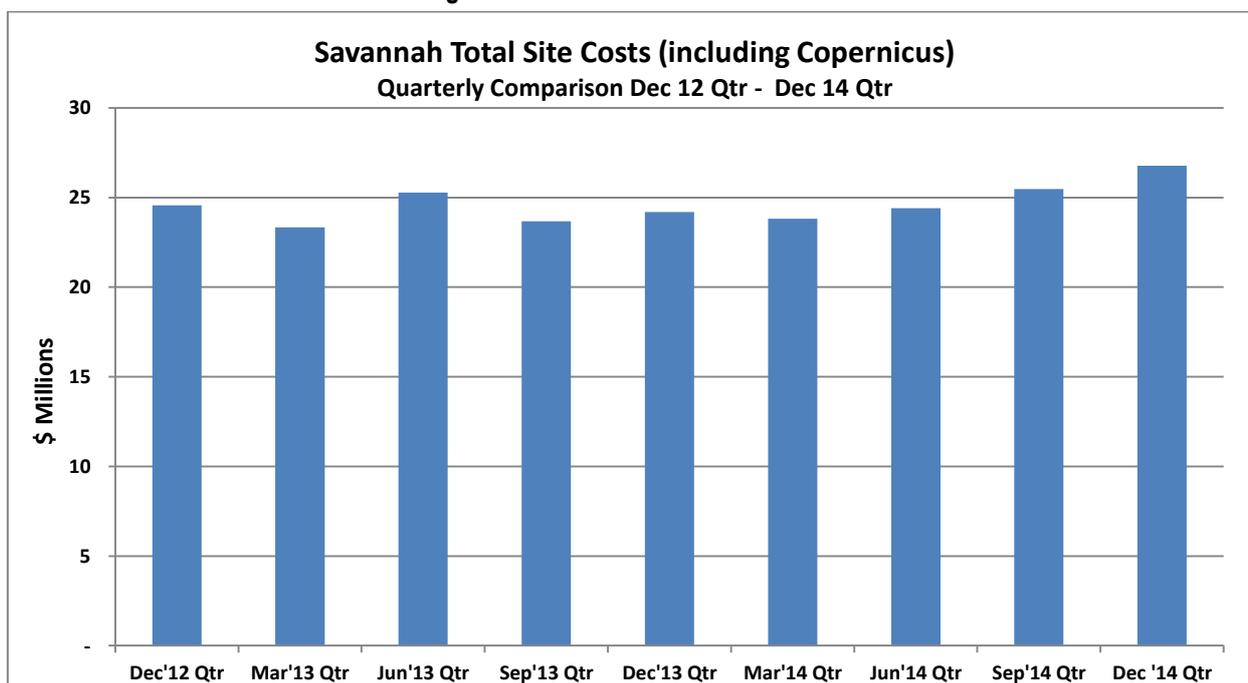
**Table 2 – Savannah Project Operating Statistics (including Copernicus)**

Area	Details	Units	3 mths ending 31 Dec 2014	3 mths ending 30 Sep 2014	2014/15 YTD	2013/14 Full Year
<b>Mining</b>	Ore mined	dmt	206,523	207,056	413,579	760,335
	Ni grade	%	1.19	1.16	1.18	1.29
	Ni metal contained	dmt	2,466	2,409	4,875	9,815
	Cu grade	%	0.64	0.66	0.65	0.75
	Co grade	%	0.06	0.06	0.06	0.06
<b>Milling</b>	Ore milled	dmt	200,415	208,695	409,110	759,150
	Ni grade	%	1.16	1.16	1.16	1.29
	Cu grade	%	0.64	0.66	0.65	0.75
	Co grade	%	0.06	0.06	0.06	0.06
	Ni Recovery	%	86.0	87.1	86.8	86.6
	Cu Recovery	%	94.5	95.1	94.8	95.1
	Co Recovery	%	88.6	89.6	89.1	89.3
<b>Concentrate Production</b>	Concentrate	dmt	27,505	28,923	56,428	117,122
	Ni grade	%	7.28	7.32	7.30	7.24
	Ni metal contained	dmt	2,003	2,116	4,119	8,481
	Cu grade	%	4.39	4.54	4.47	4.64
	Cu metal contained	dmt	1,207	1,313	2,520	5,439
	Co grade	%	0.40	0.37	0.39	0.36
	Co metal contained	dmt	111	108	219	426
	<b>Concentrate Shipments</b>	Concentrate	dmt	27,490	28,950	56,440
Ni grade		%	7.29	7.34	7.31	7.25
Ni metal contained		dmt	2,004	2,124	4,128	8,593
Cu grade		%	4.50	4.42	4.46	4.51
Cu metal contained		dmt	1,237	1,280	2,517	5,346
Co grade		%	0.38	0.37	0.37	0.36
Co metal contained		dmt	104	107	211	428

## Costs

Total site operating and capital costs of \$26.7 million (including ~\$1.3 million Copernicus mining and trucking costs), up 5% on the previous quarter (\$25.5 million). The lower quarterly nickel production resulted in a 12% increase in the average payable unit cash cost (including royalties) to A\$6.22/lb.

**Figure 5 – Savannah Total Site Costs**



**Photo 1 – First Truck of Copernicus Ore being loaded for transport to the Savannah Mill**



## Nickel – Lanfranchi Project

### General

The Lanfranchi Project produced 125,450 tonnes of ore at 2.25% Ni for 2,822t Ni contained, which was on budget although down 8% on the previous quarter.

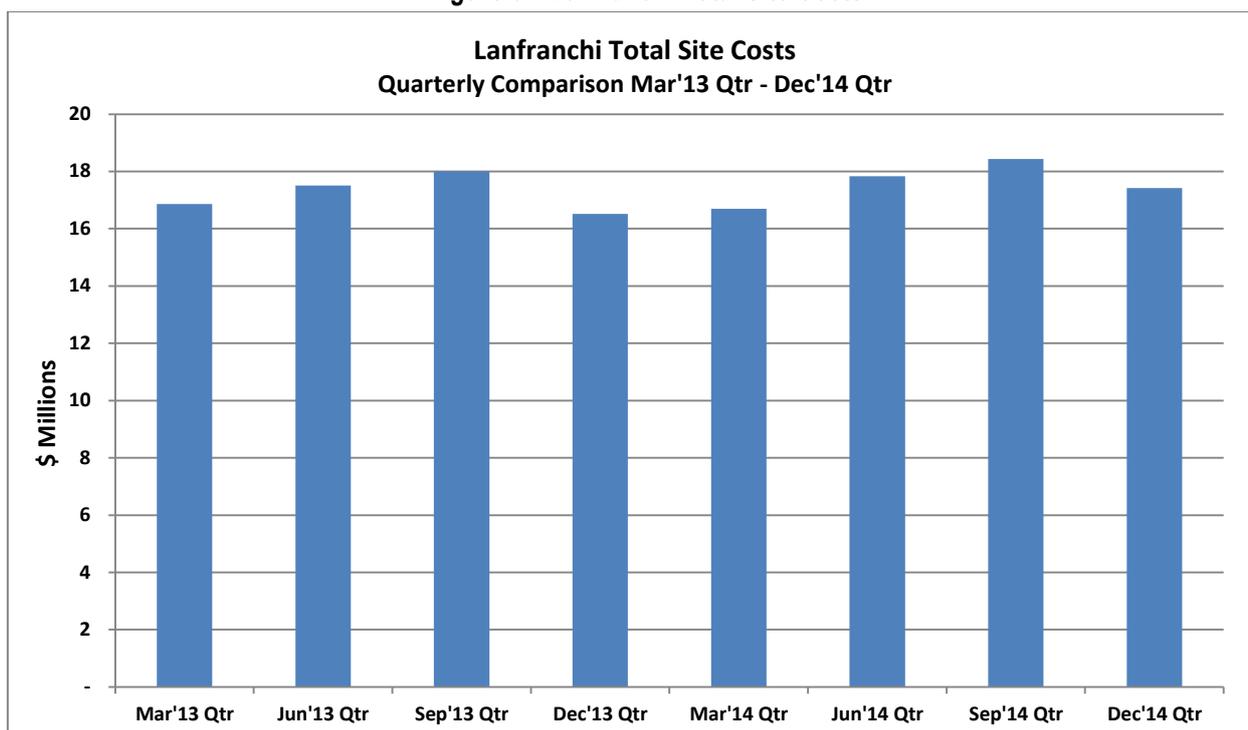
**Table 3 – Lanfranchi Project Operating Statistics**

Area	Details	Units	3mths ending 31 Dec 2014	3mths ending 30 Sep 2014	2014/15 YTD	2013/14 Full Year
<b>Mining</b>	Ore mined	dmt	125,450	131,309	256,709	518,273
	Ni grade	%	2.25	2.33	2.29	2.66
	Ni metal contained	dmt	2,822	3,062	5,884	13,775
	Cu grade	%	0.25	0.19	0.22	0.23
<b>Ore Delivered</b>	Ore delivered	dmt	130,697	127,892	258,589	521,514
	Ni grade	%	2.31	2.28	2.29	2.64
	Ni metal contained	dmt	3,017	2,905	5,922	13,794
	Cu grade	%	0.25	0.19	0.22	0.23

### Costs

Total site costs of \$17.4 million, including operating and capital were down 5% on the previous quarter (\$18.4 million). **The steady nickel production and grade resulted in an 8% drop in the average payable unit cash cost (including royalties) to A\$5.66/lb.**

**Figure 6 – Lanfranchi Total Site Costs**



## Jury-Metcalf Ore

On 20 November 2014, the Company announced that it had committed to a 6 to 9 months plan to develop the Jury-Metcalf decline/exploration drill drive. The decline will allow access to the Jury-Metcalf orebody and provide exploration drill platforms to further explore the Jury-Metcalf area and down-plunge of Schmitz. This decision was made immediately after securing separate terms under the existing Lanfranchi Ore Tolling and Concentrate Purchase Agreement (OTCPA) for Jury-Metcalf ore deliveries (see ASX announcement of 19 November 2014). The decision to commence production at Jury-Metcalf will be dependent upon the prevailing and forecast nickel prices during the June 2015 quarter. The discovery of new mineralisation below Schmitz may also impact on the decision and timing to mine Jury-Metcalf.

## Native Title

As foreshadowed in the Company's September 2014 Quarterly Report, the Federal Court has now made a Determination of native title, the consequence of which is that the Company's tenements at the Lanfranchi Project are invalid to the extent that they are inconsistent with the continued existence, enjoyment or exercise of native title rights held by the Ngadju People.

The Determination and Orders can be found at the following link:

<http://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2014/2014fca1247>

The Company understands that the Determination has now been appealed by some of the Respondents to the Determination.

Lanfranchi continues to operate as normal and Panoramic will keep monitoring the matter and will update the market of any material developments.

## 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 been, and are being tested, with the majority of work on near-mine exploration. **There has been significant success at both Savannah and Lanfranchi so far in FY2015,** as detailed below.

## Savannah and East Kimberley Regional

### Savannah North Project

Since the initial Savannah North discovery hole in February 2014 (refer ASX announcement of 18 February 2014), further drilling has identified two zones (an Upper and Lower zone) of “Savannah Style” magmatic breccia textured massive sulphide mineralisation over a broad area (refer to ASX announcements of 28 April 2014, 30 May 2014 and 28 July 2014). Both the Upper and Lower mineralised zones remain open towards the west and northwest (Figure 7).

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 (metres)	Plunge extent of mineralisation (metres)	Approximate thickness of mineralisation (metres)	Assumed average density	Exploration target grade range %Ni		Exploration target tonnage range (millions 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.

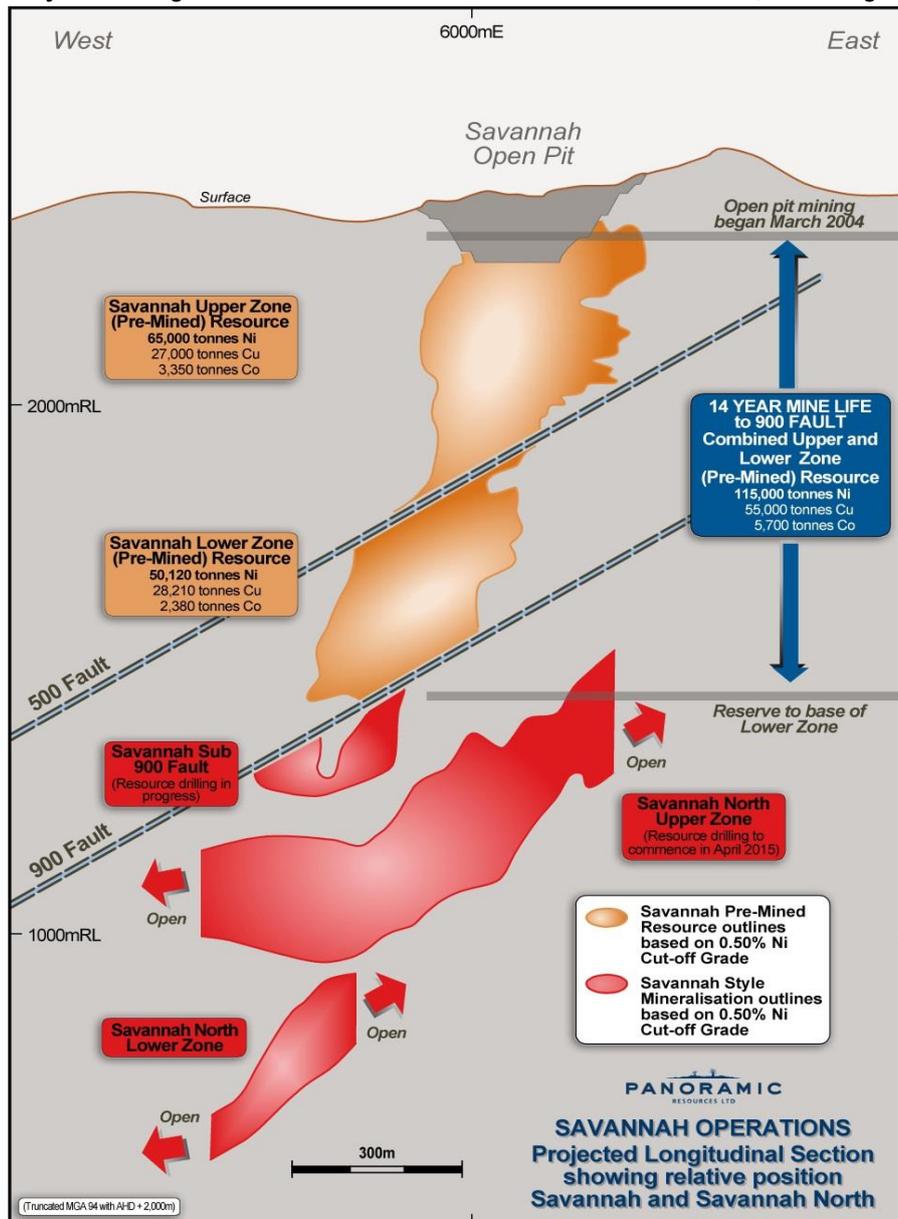
Further information on the Savannah North Exploration Target and a summary of the relevant drill holes used to derive the approximate thickness and grade of the mineralisation at Savannah is provided in the Company’s ASX announcement of 28 July 2014.

During the quarter, work on the Savannah North Project was focused on the development of the Savannah North 1570m RL Drill Drive. At 31 December 2014, the drive had been extended 2,350m to the north, leaving approximately 300m to be developed. The drive is due for completion in March 2015, with underground Resource Definition drilling on Savannah North scheduled to commence in April 2015. The initial 50m x 50m panel to be covered by Resource Definition drilling is to be on the Upper Lens area, located between 5700mE to 6150mE. The six month program will involve two underground rigs drilling a total of 70 holes for approximately 25,000 drill metres at an estimated cost of ~\$4 million (Figure 7).

In December 2014, KUD1371 was drilled from Stockpile 5 on the 1570 Drill Drive to test a strong “Savannah North” style 200m x 200m electromagnetic (EM) plate located between the existing Savannah mine workings and Savannah North. This drill hole passed below the anomaly and a new hole is planned to be drilled in February 2014 from a better drilling angle at Stockpile 6.

A new surface drill program and associated down-hole electromagnetic (DHEM) surveying to test the open-ended western and eastern limits of the Savannah North mineralisation is due to commence in the March 2015 quarter (Figure 7).

**Figure 7 – Projected Longitudinal Section of Savannah and Savannah North, including below the 900 Fault**



## Savannah sub-900 Fault - Resource Definition Drill Program

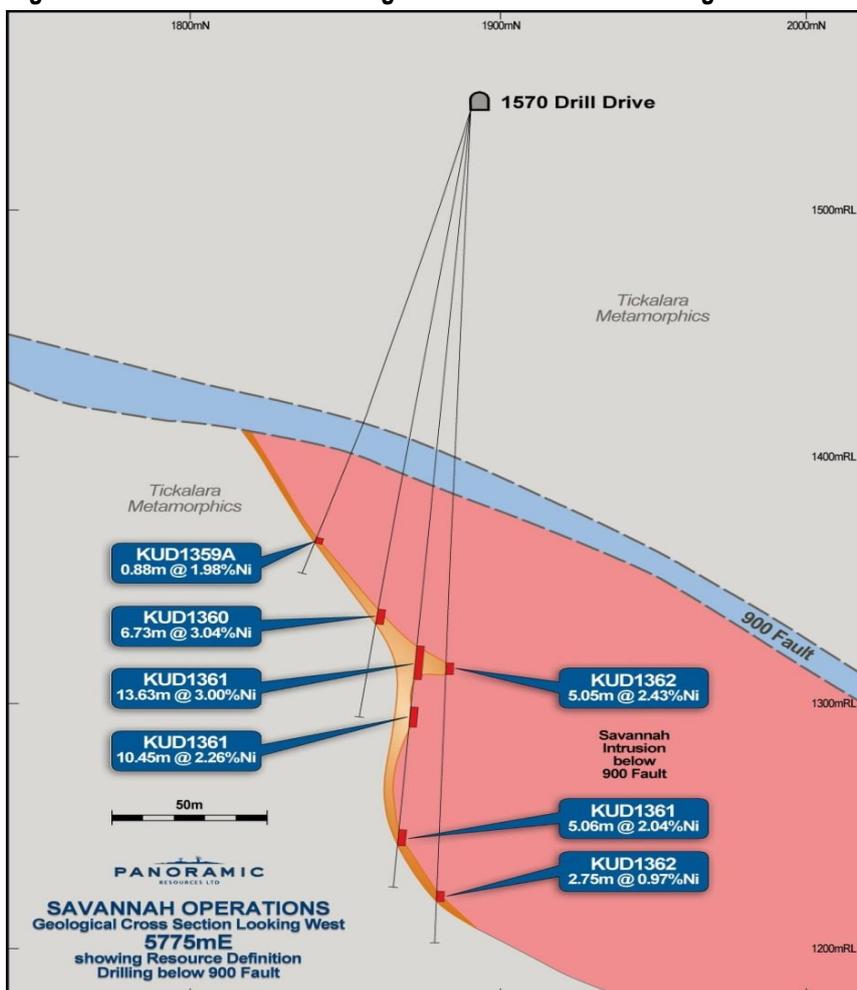
Resource Definition drilling of the Savannah orebody below the 900 Fault commenced in October 2014 following part-completion of the Savannah North 1570m RL Drill Drive (Figure 8). Initial drilling results were released in the Company's ASX announcement of 17 November 2014. **Those, and subsequent results further to the west, have been excellent, with high-grade "Savannah Style" massive sulphide mineralisation being intersected in the majority of holes.** Significantly, the intersections typically exhibit an *intact* character with enclosing rock types, devoid of dyke and other structural disruptions often associated with the intersections in the Lower Zone between the 500 and 900 Fault structures. Several significant intersections have been achieved in this program to date, including\*:

- 8.95m @ 2.59% Ni, 0.29% Cu and 0.16% Co (KUD1356);
- 5.73m @ 1.98% Ni, 0.30% Cu and 0.12% Co (KUD1360);
- 13.63m @ 3.00 % Ni, 1.22% Cu and 0.19% Co, and 10.45m @ 2.26% Ni, 0.61% Cu and 0.14% Co (KUD1361);
- 17.55m @ 1.80% Ni, 0.66% Cu and 0.11% Co (KUD1363);
- 13.05m @ 1.94% Ni, 1.06% Cu and 0.11% Co (KUD1367);
- 5.08m @ 2.87% Ni, 0.89% Cu and 0.15% Co (KUD1369); and
- 13.10m @ 2.66% Ni, 0.79% Cu and 0.14% Co and 7.50m @ 2.48% Ni, 0.61% Cu and 0.13% Co (KUD1370).

\* all intervals are down-hole lengths and not true widths. Drill results received during the quarter and 2012 JORC Compliance Tables for the reporting of the Savannah exploration results are detailed in Appendix 1.

The Sub 900 Fault Resource Definition drill program is ongoing. The Company is targeting to define a Mineral Resource and Reserve for the mineralisation below the 900 Fault for inclusion in the June 2015 Savannah Resource and Reserve Statement.

**Figure 8 – Cross Section showing Resource definition drilling below the 900 Fault**



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

In May 2014, 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

With the restart of mining at Copernicus, no exploration drilling was undertaken in the quarter. Results for the six in-fill Resource (metallurgical sample) drill holes completed during the September 2014 quarter were subsequently received in the December 2014 quarter and are summarised in Appendix 1. Some better assay results include\*:

- **29.35m @ 1.72% Ni**, 0.66% Cu and 0.06% Co (CO001);
- **23.20m @ 1.58% Ni**, 0.71% Cu and 0.06% Co (COD002); and
- **17.00m @ 1.75% Ni**, 0.97% Cu and 0.05% Co (COD005).

\* all intervals are down-hole lengths and not true widths. Drill results received during the quarter and 2004 JORC Compliance Tables for the reporting of the Copernicus exploration results are detailed in Appendix 1.

## 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 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;
- the overturned Tramways Dome, targeting areas predicted to contain the continuation of the Helmut/Deacon and Schmitz channel systems; and
- down-plunge of Martin.

**The highlight of the quarter, and subsequently, at Lanfranchi, was the identification and successful drill testing of a large, highly conductive, open-ended EM anomaly located down plunge of Schmitz.** The discovery of a potentially significant new area of high-grade nickel sulphide mineralisation at Lanfranchi is discussed below (*also refer to ASX announcements of 20 November 2014, 21 January 2015 and 23 January 2015*).

Assay results received during the quarter and in January 2015, including the JORC 2012 Compliance Tables for the reporting of the Lanfranchi exploration results, are detailed in Appendix 2.

### **Schmitz Channel – a potentially new area of high-grade mineralisation**

On 21 January 2015, the Company announced the **discovery of high-grade mineralised zones** in drill hole DMT373A, the first hole in an **on-going drill program that is testing a large, 300m x 100m highly conductive, open-ended EM anomaly located down plunge of Schmitz** (*Figure 9 and Figure 10*). The three new significant mineralised zones contain both high-grade massive sulphide mineralisation and moderate grade zones of stringer and strong matrix mineralisation. The style and grade of mineralisation is very similar to the Schmitz orebody located up-plunge to the north. The following significant assay results from DMT373A have been reported\*:

- 6.10m @ 5.73% Ni from 482.90m;
- 6.80m @ 5.02% Ni from 525.30m; and
- 6.50m @ 5.82% Ni from 550.54m.

(\*Note: all reported intercept lengths in this release are down-hole lengths and not true widths. Refer to Table 5 for a more detail summary of the drill results. The 2012 JORC Compliance Tables for the reporting of exploration results are located in Appendix 2)

The highly conductive EM anomaly was first identified in the December 2014 quarter in drill hole SMT342 and verified in SMT366 (*Figure 9*). The DHEM survey of SMT366 successfully located and confirmed the anomaly interpreted at the end of SMT342, but more importantly, also identified the very significant, highly conductive and open-ended EM response from 540m to the end of hole at 635m. In January 2015, drill holes SMT373 and SMT373A targeted the anomaly and intersected the high-grade mineralised zones at the contact between the Lunnin (footwall) and Kambalda Komatiite sequence.

**The Company considers the discovery below Schmitz as potentially very significant given the size and open ended character of the EM conductor** and given the previous mining of high-grade orebodies along the Schmitz channel (Schmitz, Skinner and Winner) as shown in *Figure 10*.

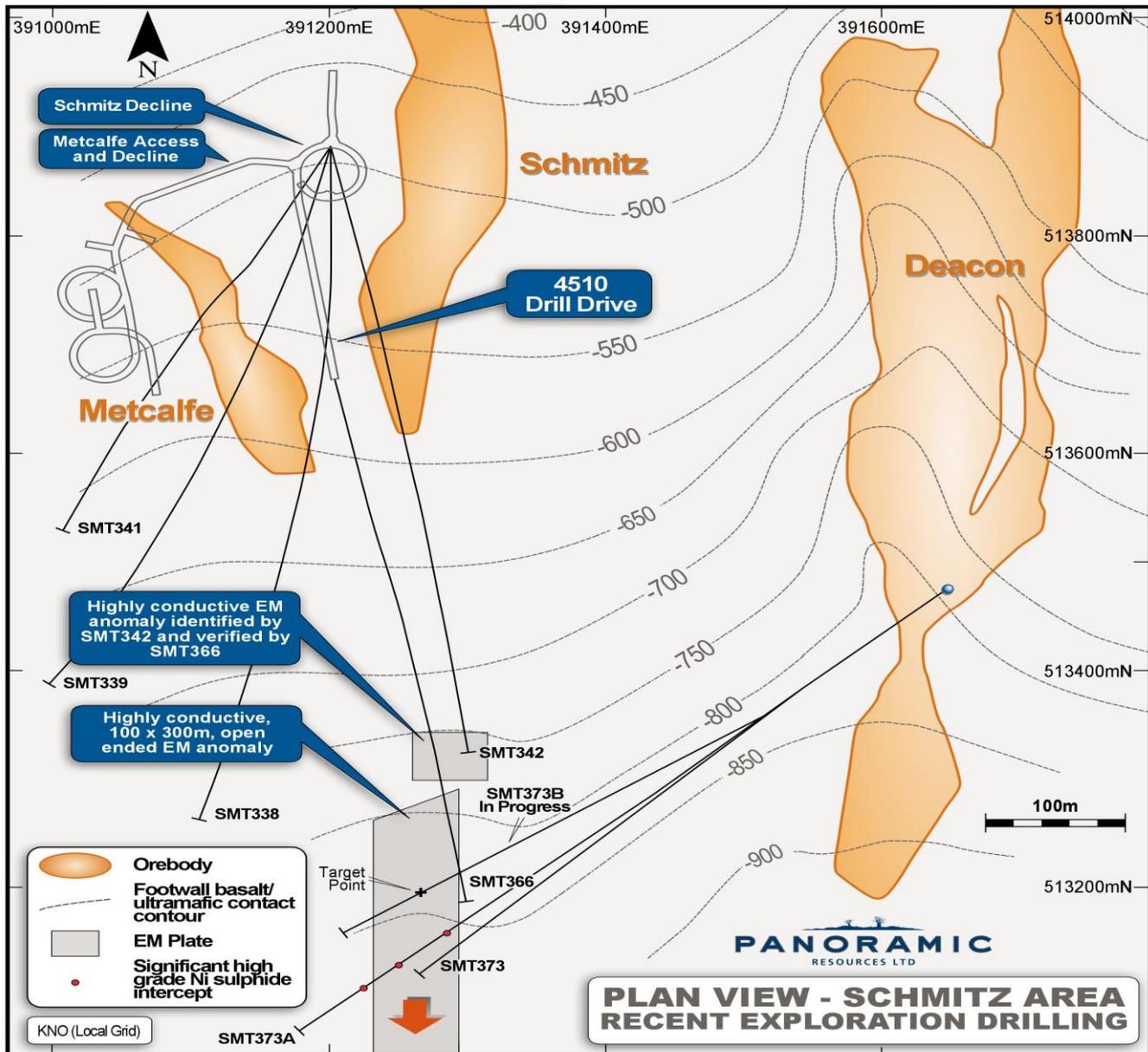
A new daughter hole (SMT373B) has commenced to further test the width of the mineralised channel approximately 50 metres up-plunge from SMT373A.

**Table 5 – Summary of drill results for SMT373 and SMT373A**

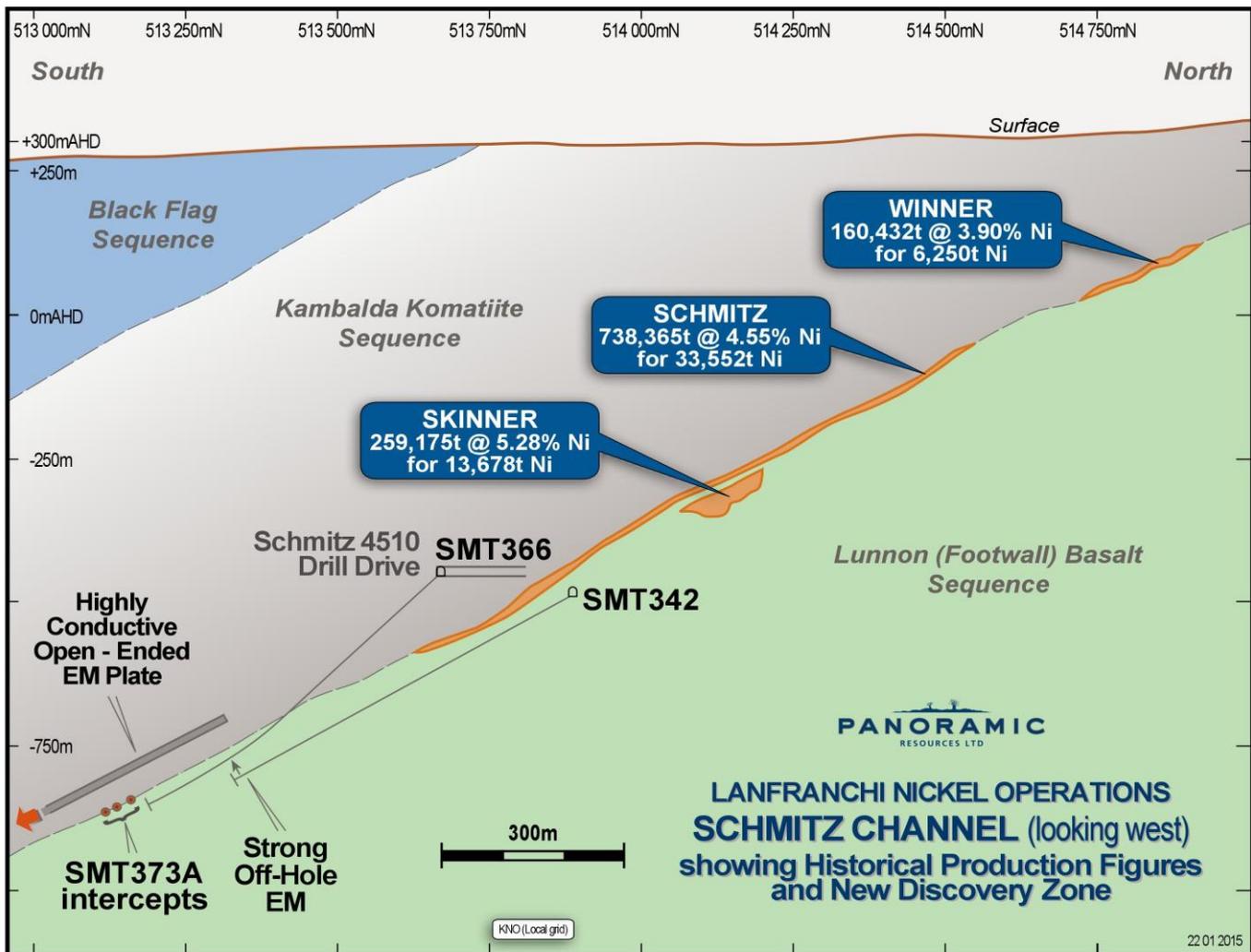
Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
SMT373	391916.4	6513685.0	-800.0	-2.3	230.5	523.80	0.00	7.20	7.20m @ 2.10% Ni	0.22	0.05
							104.73	106.94	2.21m @ 2.11% Ni	0.12	0.05
SMT373A	391916.4	6513685.0	-800.0	-2.3	230.5	626.40	482.90	489.00	6.10m @ 5.73% Ni	0.42	0.12
							491.00	492.00	1.00m @ 1.48% Ni	0.12	0.03
							497.00	498.62	1.62m @ 1.06% Ni	0.11	0.03
							525.30	532.10	6.80m @ 5.02% Ni	0.46	0.09
								including	5.60m @ 5.74% Ni	0.52	0.10
								including	6.50m @ 5.82% Ni	0.36	0.11
	including	6.06m @ 6.11% Ni	0.37	0.11							

Notes: Results based on a 1.0% Ni cut-off grade, a minimum intercept length of 1.0m and a maximum internal waste of 1.5m  
 Reported intercept lengths are down-hole lengths and not true widths  
 The 2012 JORC Compliance Tables for the reporting of exploration results are located in Appendix 2

**Figure 9 – Plan View of Schmitz area showing recent exploration drilling and discovery Drill Hole SMT373A**



**Figure 10 – Cross Section View of the Schmitz Channel showing historical production areas and EM Anomaly**



## East Deacon - Potential new Channel system

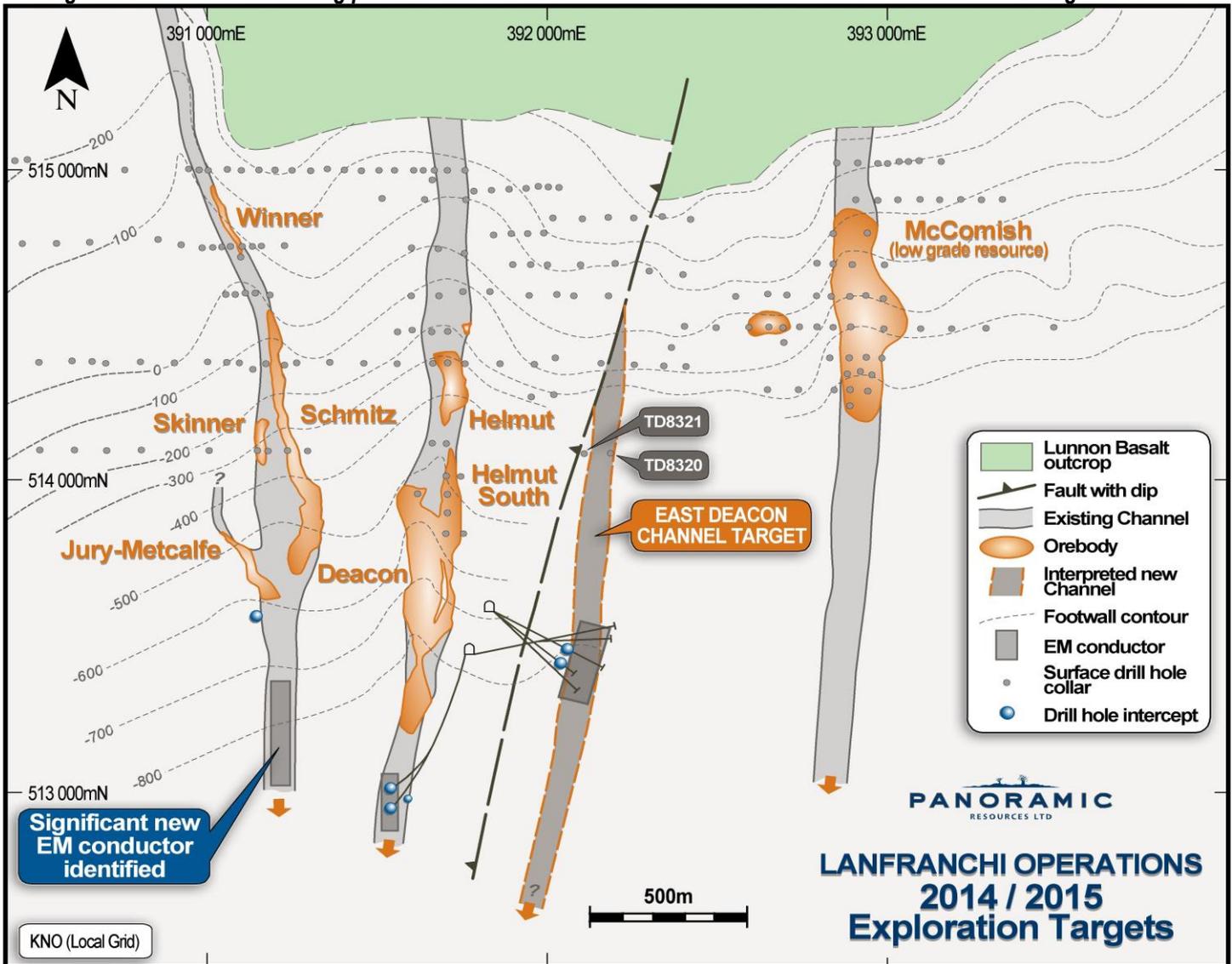
As reported in the September 2014 quarter, two surface drill holes (TD8320 and TD8321) that were completed on the East Deacon target area detected a strong off-hole DHEM response to the west of TD8321 (Figure 11).

The EM anomaly was subsequently tested in the December 2014 quarter and drill hole TD8321A intersected two thin zones of low tenor massive sulphide mineralisation, including:

- 0.40m @ 2.38% Ni from 604.7m; and
- 0.32m @ 3.14% Ni from 616.5m.

The follow-up DHEM survey confirmed that the modeled off-hole response in TD8321 was coincident with the lower zone of mineralisation intersected in TD8321A. The EM data suggests the mineralisation is not extensive and that no other stronger conductors are present in the target area. The Company is currently assessing options in relation to this target.

**Figure 11 – Plan View showing potential new channel feature located to the east of Deacon and other target areas**



### Deacon Down-Plunge EM plate testing

No activity during the quarter.

### Lanfranchi Down-Plunge

No activity during the quarter.

### Northern Tramways Dome

No activity during the quarter.

## Martin

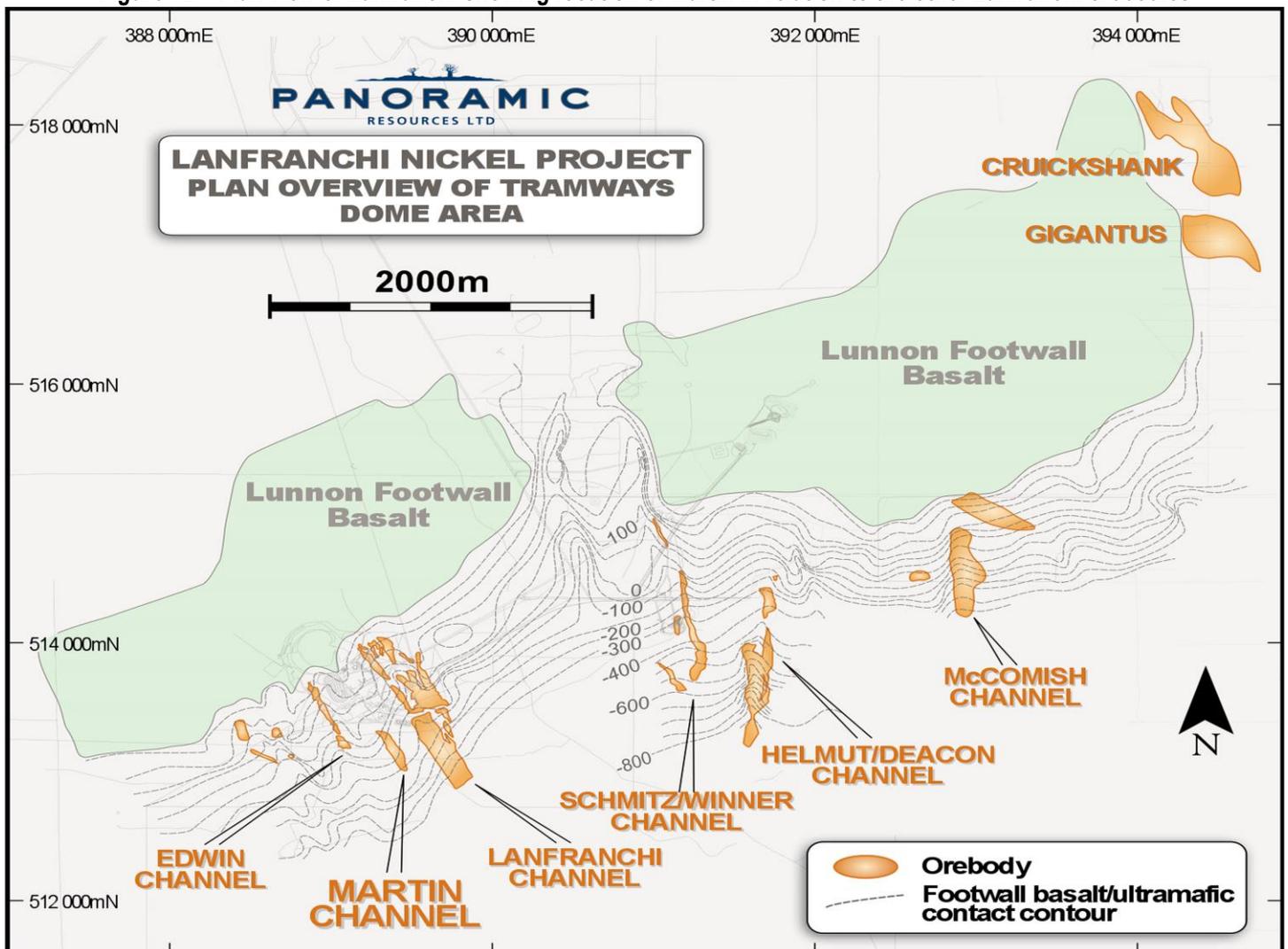
During the quarter, two underground diamond drill holes (LAN354 and LAN355) were drilled in the footwall basalt sequence down plunge of the Martin orebody, located immediately to the west of the Lanfranchi orebody (*Figure 12*). Both holes returned several strong DHEM responses which when modelled indicated the presence of a highly conductive plate below and down-plunge of Martin.

Given the depth to the centre of the modelled plate is only 430 metres below surface, a near vertical surface hole was targeted at the EM plate. Surface drill hole (TD8329) was completed in December 2014 and intersected two thin zones of matrix/massive sulphide mineralisation, including:

- 2.60m @ 3.22% Ni from 440.5m, including 0.53m @ 7.43% Ni; and
- 1.00m @ 4.74% Ni from 508.0m.

The position of the deeper intersection has been confirmed as the down-plunge extension of the Martin orebody some 250m up-plunge to the north-north west. The upper intersection is a new discovery located just above an upper basalt ultramafic surface to the east of Martin. The Company is currently reviewing the DHEM data on drill hole TD8329 before deciding on the level of follow-up work.

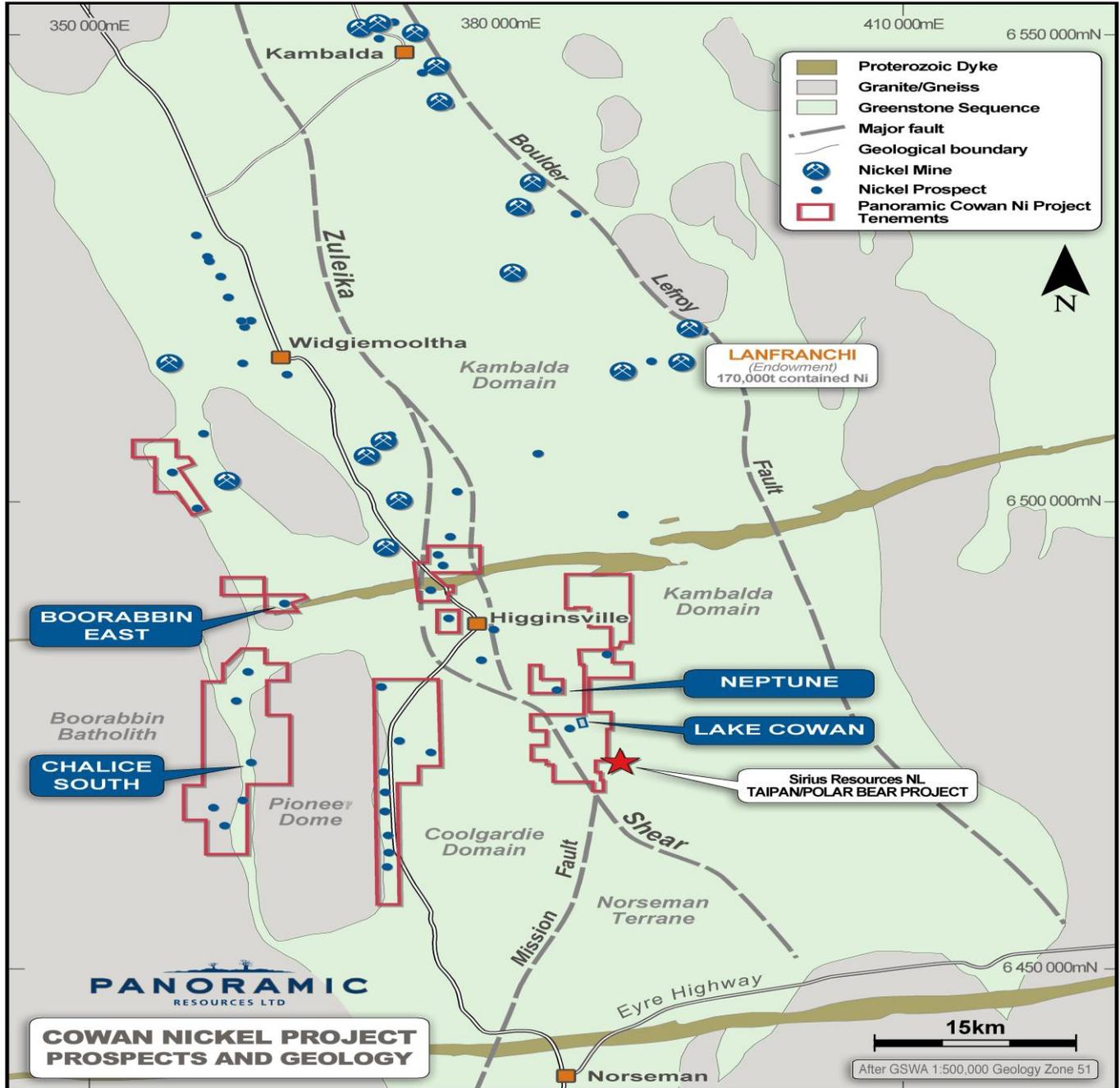
**Figure 12 – Plan view of Lanfranchi showing location of Martin in relation to the other Lanfranchi orebodies**



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

As previously reported, five priority EM targets were tested in the September 2014 quarter, at Lake Cowan, Neptune and Chalice South, with two additional targets tested at Boorabbin East (Figure 13). All assay results for this program have now been received and have confirmed that all five EM targets were sourced by the presence of conductive sedimentary units. The Company is currently assessing the remaining Project targets.

**Figure 13 – Cowan Nickel Project - Tenements and recent EM Target testing areas**



## Drake Resources Exploration Alliance - Scandinavia

Panoramic and Drake Resources Limited (“Drake”) have an alliance to identify, explore and develop base and precious metal opportunities across Scandinavia. During the quarter, the Company continued to work on the Sulitjelma Project in Norway and notified Drake that is withdrawing from the Lokken and Hersjo/Nordgruva Projects.

As previously reported, a 70km<sup>2</sup> airborne electromagnetic (VTEM) and magnetic survey has been completed at Sulitjelma (Figure 14). The survey covers areas of historic mining activity which ceased operation in the late 1980s with a total of more than 25.5 million tonnes of copper / zinc ore extracted from the Nordgruvefeltet (Northern Mining Field) and Sydgruvefeltet (Southern Mining Field). The initial assessment of the VTEM survey data identified 11 anomalies, which was then reduced to seven targets following subsequent field inspection.

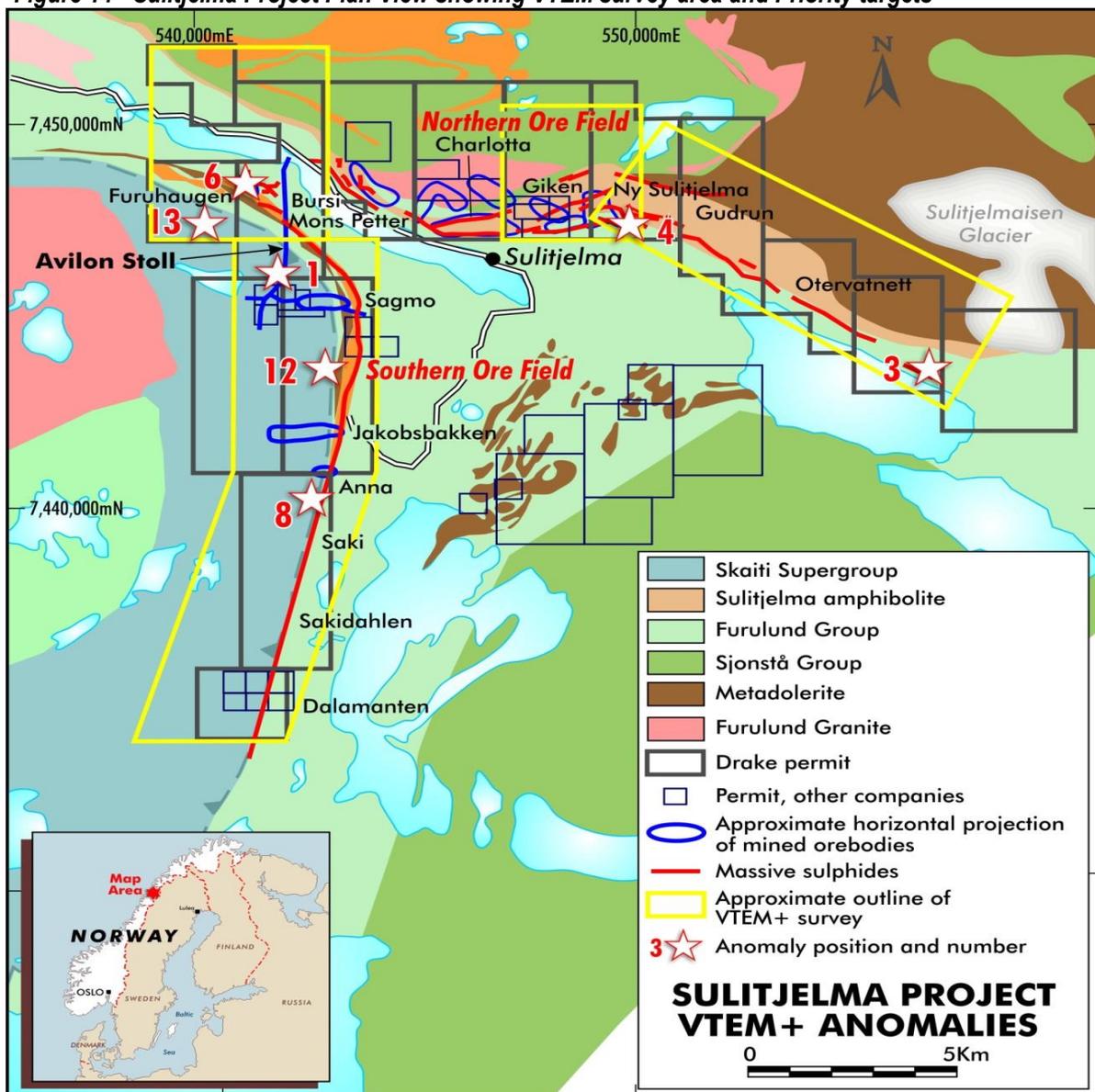
The Sulitjelma VTEM survey interpretation has now been completed with six priority targets identified.

Four targets are located within the western thrust or Southern Ore Field which is an area of known massive sulphide mineralisation mapped over a ~10km north / south direction. This area hosts the Sagmo (1.9Mt mined at 1.6%Cu and 0.23%Zn) and the Jakobsbakken (4.47Mt mined at 1.55% Cu and 2.42% Zn) historic orebodies.

Two anomalies have been selected from the Northern Ore Field, an extensive conductive horizon with a strike length in excess of 5kms located along strike from the main Sulitjelma mines of Ny Sulitjelma (2.59Mt at 1.99%Cu and 0.55%Zn) and Giken.

Drake and the Company are currently preparing plans and budget estimates to test these targets.

**Figure 14 - Sulitjelma Project Plan View showing VTEM survey area and Priority targets**



## 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 been extended to include the Swan Bitter Resource with the work on-going.

## 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 or better than previously supplied estimates.

In late 2014, 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. Additional metallurgical test work has determined that satisfactory recovery rates can be achieved using site water.

The final stages of the tailings storage facility design work has commenced.

### 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 15*). 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:

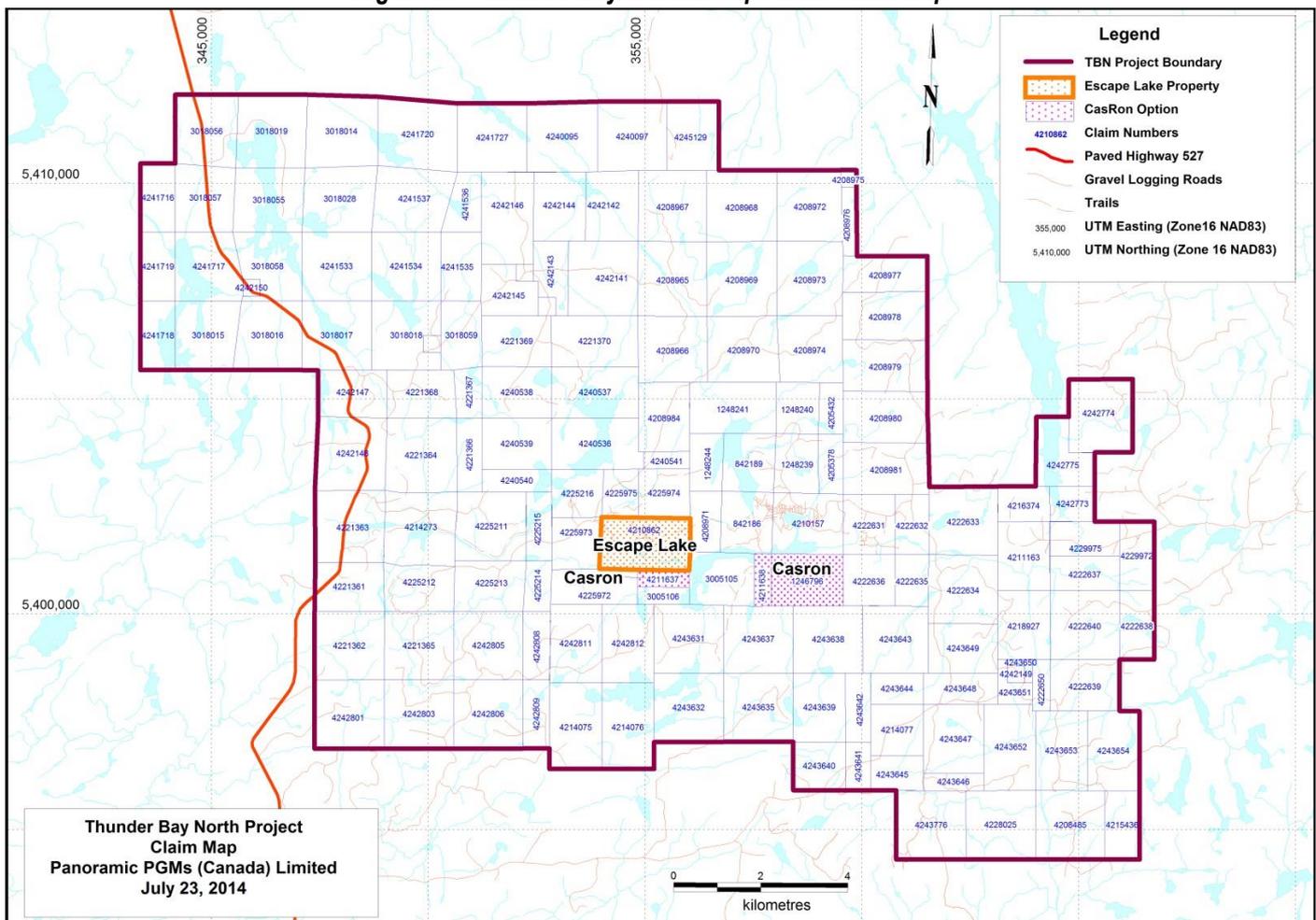
- **Phase 1 - Exploration Target Generation (ETG)** - Prior to 31 December 2014, RTEC was to spend C\$250,000 and PANP and RTEC to jointly carry out a detailed review of all existing data for the Consolidated Project (*RTEC spent ~C\$440,000 in Phase 1*). The aim was to review existing data sets and to develop exploration concepts/targets on the Consolidated Property, while sharing exploration expertise and techniques. This phase has been completed to RTEC's satisfaction.
- **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 (*in January 2015, RTEC elected to proceed to Phase 2*). 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 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).

**On 16 January 2015, the Company announced that RTEC had exercised its right under the Agreement by electing to move into the Earn-in Option Phase of the Agreement.**

**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 views of the prospectivity of the Project.**

This decision by RTEC will allow Panoramic to focus its available resources towards its core nickel business, advancing the Panton PGM Project, the gold projects and other corporate initiatives.

**Figure 15 – 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 ASX Announcement of 30 September 2014 on “Mineral Resources and Ore Reserves at 30 June 2014” 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).

The recent desk-top study by GR Engineering Services Limited on previous metallurgical test work has confirmed the opportunities to improve the flotation performance of the Panton ore. In January 2015, fresh samples have been collected in readiness for metallurgical test work during the March 2015 quarter.

No field activities were undertaken during the quarter.

## Corporate

### Liquid Assets & Debt

Cash on hand at the end of the quarter was \$61 million plus trade receivables of \$18 million, **for a total of \$79 million in current liquid assets**. The operations, inclusive of Perth Office costs, generated a **\$7 million operating surplus in the quarter** after net working capital movements

The ~\$9 million decrease in the cash balance during the quarter was primarily due to:

- negative quotational period (QP) final invoice pricing adjustments totaling ~\$5 million on September 2014 quarter deliveries due to the quarter-on-quarter lower nickel price;
- reduced provisional invoice receipts on December 2014 quarter deliveries as a result of the lower nickel price;
- Group exploration expenditure of ~\$3 million;
- Copernicus pre-production costs of ~\$1 million; and
- net working capital movements, including a ~\$2 million shortfall in the provisional invoice payment on the December Savannah concentrate shipment due to a bank documentation issue (resulting in this amount being included in trade receivables) and from a ~\$3 million reduction in the balance of trade creditors over the quarter.

Group finance leases on mobile equipment and insurance premiums at 31 December 2014 totalled \$3.0 million. During the quarter, a \$0.8 million payment was made to pay-out a finance lease 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.

### Share Buy-Back

On 15 December 2014, the Company announced that it intended to conduct an on-market share buy-back of up to 15.96 million shares. At that time, the Board believed that the Company’s shares were trading at a level which significantly undervalues the Company’s assets. The merits of this capital management initiative will continually be monitored during 2015 as markets evolve and the Company will keep the market informed of the buy-back process.

As at the date of the report, 851,809 shares in the Company had been bought back at an average share price of \$0.3909, with all shares having been subsequently cancelled. Following cancellation, the issued share capital of the Company is 321,424,015 shares.

## Hedging

In November 2014, in order to limit further losses on a portion of the sold US\$ call options, the Company bought ~US\$11 million of US\$ call options at an exercise price of US\$0.82 for delivery January 2015 to June 2015.

Since the end of the quarter, the Company has taken advantage of the fall in the oil price and purchased ~2.0 million litres of US\$ diesel call options at an exercise price of US\$0.48/litre for delivery July 2015 to December 2015 (330,000litres per month).

**Table 6 – Group Hedge Book – A\$ Mark-to-Market Valuation as at 31 December 2014**

Commodity	Mark-to-Market 31 Dec 2014
Bought US\$ Nickel Put Options	\$1.2 million
Sold US\$ Nickel Call Options	-
Bought A\$ Diesel Call Options	-
Sold A\$ Diesel Put Options	(\$0.7 million)
Bought US\$ Currency Put Options	-
Sold US\$ Currency Call Options	(\$3.1 million)
Bought US\$ Currency Call Options	\$0.5 million
<b>Total Mark-to-Market</b>	<b>(\$2.1 million)</b>

**Table 7 – Group Hedge Book – Delivery Profile as at 31 December 2014**

Commodity	Quantity 31 Dec 2014	Average Price/Rate 31 Dec 2014
<b><u>Nickel</u> –</b>		
<b>Bought Nickel Put Options</b> (delivery Jan 2015-Apr 2015)	350t	US\$18,000/t <b>US\$8.16/lb</b>
<b>Sold Nickel Call Options</b> (delivery to Jan 2015-Apr 2015)	350t	US\$22,000/t US\$9.98/lb
<b><u>Diesel</u> –</b>		
<b>Bought Diesel Call Options</b> (delivery Jan 2015-Jun 2015)	400,000litres/mth	US\$0.82/litre
<b>Bought Diesel Call Options</b> (delivery Jul 2015-Dec 2015 )	330,000litres/mth	US\$0.48/litre
<b>Sold Diesel Put Options</b> (delivery Jan 2015-Jun 2015)	400,000litres/mth	US\$0.686/litre
<b><u>US\$:A\$ FX</u> –</b>		
<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 Jan 2015-Jun 2015)	US\$30 million	US\$0.8829 FX
<b>Bought US\$ Call Options</b> (delivery Jan 2015-Jun 2015)	US\$11 million	US\$0.82 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 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.

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

#### (A) Sub 900 Fault – Resource Definition Drill Program

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
KUD1355	395793.6	8081889.7	1541.7	-68.8	152.1	194.50	160.90	174.44	13.54m @ 0.94 %	0.20	0.06
KUD1356	395793.8	8081890.5	1541.7	-79.0	132.2	245.60	217.55	226.50	8.95m @ 2.59 %	0.29	0.16
KUD1357	395794.0	8081891.1	1541.7	-82.4	109.3	77.60	NS (hole abandoned)				
KUD1357-A	395794.1	8081891.4	1541.7	-82.6	99.2	308.80	NSR				
KUD1359-A	395792.3	8081889.9	1541.8	-73.6	192.3	199.30	183.72	184.60	0.88m @ 1.98 %	0.30	0.12
KUD1360	395791.9	8081890.2	1541.7	-81.6	206.3	272.50	206.34	212.07	5.73m @ 3.04 %	1.14	0.19
							220.35	221.55	1.20m @ 0.90 %	0.92	0.06
KUD1361	395791.6	8081890.3	1541.8	-84.5	221.5	320.60	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	353.50	227.15	232.20	5.05m @ 2.43 %	2.15	0.15
							319.07	323.05	3.98m @ 0.73 %	0.20	0.05
KUD1363	395791.5	8081890.1	1541.8	-61.8	215.6	224.50	195.85	213.40	17.55m @ 1.80 %	0.66	0.11
KUD1364	395791.2	8081890.6	1541.8	-73.8	234.8	281.60	262.70	265.60	2.90m @ 1.47 %	0.41	0.09
KUD1365	395791.0	8081891.0	1541.8	-76.9	249.9	179.60	NS (hole abandoned)				
KUD1366	395791.0	8081890.1	1541.8	-58.1	226.9	44.50	NS (hole abandoned)				
KUD1366-A	395790.8	8081890.4	1541.8	-58.2	234.6	284.50	NSR				
KUD1367	395791.8	8081889.9	1541.8	-64.0	247.3	314.40	281.05	294.10	13.05m @ 1.94 %	1.06	0.11
							300.00	300.75	0.75m @ 2.60 %	0.48	0.14
KUD1368	395790.7	8081891.5	1541.8	-68.1	269.8	341.50	321.85	325.05	3.20m @ 2.50 %	0.67	0.15
KUD1369	395790.6	8081890.7	1541.8	-56.3	246.2	296.30	273.92	279.00	5.08m @ 2.87 %	0.89	0.15
KUD1370	395790.5	8081891.6	1541.8	-60.1	269.0	527.40	314.90	317.30	2.40m @ 0.63 %	0.59	0.04
							323.00	336.10	13.10m @ 2.66 %	0.79	0.14
							400.10	407.60	7.50m @ 2.48 %	0.61	0.13

Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 0.50% Ni lower-cut off, maximum internal waste 4.0m, minimum intercept 0.5m

#### (B) Copernicus – In-fill Resource (Metallurgical) Drill Program

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
COD001	393065.2	8047418.1	344.6	-89.5	213.3	82.90	10.40	39.75	29.35m @ 1.72 %	0.66	0.06
COD002	393078.2	8047408.9	344.9	-89.8	101.5	34.20	2.70	25.90	23.20m @ 1.58 %	0.71	0.06
COD003	393085.0	8047427.8	345.0	-89.7	86.1	28.40	3.50	4.60	1.10m @ 1.99 %	1.51	0.05
							7.15	22.70	15.55m @ 1.20 %	0.47	0.04
COD004	393074.1	8047436.0	344.6	-90.0	0.0	42.50	20.50	38.00	17.50m @ 1.23 %	0.82	0.04
COD005	393088.0	8047452.3	344.8	-90.0	0.0	45.80	25.60	42.60	17.00m @ 1.75 %	0.97	0.05
COD006	393099.1	8047443.6	344.8	-90.0	0.0	35.70	6.95	16.05	9.10m @ 1.44 %	1.33	0.04
							19.80	23.20	3.40m @ 1.64 %	1.66	0.05

Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 0.50% Ni lower-cut off, maximum internal waste 4.0m, minimum intercept 0.5m
- The Copernicus Resource is compliant with the 2004 JORC Code.

## Savannah 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> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Analytical core samples included a mix of full and sawn half core samples.</li> <li>All samples from core</li> <li>All core sampling and sample preparation followed industry best practice.</li> <li>QC involved the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC was inserted in most sample batches.</li> <li>Original versus duplicate assay results have always shown strong correlation due to massive sulphide rich nature of the orebody.</li> <li>Sample sizes are considered appropriate to represent the Savannah style of mineralisation.</li> </ul>
<b>Quality of assay</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying</li> </ul>	<ul style="list-style-type: none"> <li>The Savannah Nickel Mine (SNM) standard analytical</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>data and laboratory tests</b>	<p>and laboratory procedures used and whether the technique is considered partial or total.</p> <ul style="list-style-type: none"> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<p>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).</p> <ul style="list-style-type: none"> <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>
<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 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 high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the fact that exploration results reported herein are from several drill holes, located well away from other mine drill holes, the report is considered to be sufficiently balanced.</li> </ul>
<b>Other substantive</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should</li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data is considered material to this</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>exploration data</b>	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.	release at this stage.
<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 2012 JORC 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 (%)
LAN355	389788.4	6513564.5	-68.0	-13.1	172.5	838.80	NSR				
SMT347	391468.1	6513876.7	-442.1	-40.7	227.8	323.60	279.00	280.20	1.20m @ 1.02%	0.08	0.03
SMT349	391468.4	6513876.3	-442.5	-47.5	216.4	266.20	231.58	232.71	1.13m @ 1.05%	0.08	0.02
							239.82	240.32	0.50m @ 1.55%	0.13	0.04
							241.62	242.06	0.44m @ 2.08%	0.11	0.05
SMT350	391468.0	6513878.0	-441.8	-35.3	261.4	206.79	166.02	166.99	0.97m @ 1.28%	0.08	0.03
							169.00	171.40	2.40m @ 1.28%	0.07	0.02
							172.60	174.87	2.27m @ 1.19%	0.09	0.04
SMT351	391467.8	6513877.9	-441.7	-28.2	260.9	221.81	186.60	187.80	1.20m @ 1.09%	0.05	0.03
SMT352	391467.8	6513878.3	-441.6	-25.6	270.8	194.55	170.68	175.30	4.62m @ 1.08%	0.07	0.03
SMT354	391467.6	6513878.8	-441.6	-20.4	285.1	182.40	NSR				
SMT355	391467.6	6513878.8	-441.2	-9.9	285.5	218.80	113.93	114.99	1.06m @ 1.09%	0.05	0.02
							183.40	186.77	3.37m @ 1.48%	0.07	0.03
SMT366	391470.5	6513875.2	-442.6	-40.6	167.1	635.20	NSR				
SMT367	391045.3	6514443.0	-178.7	-30.4	155.4	716.64	698.00	698.84	0.84m @ 1.65%	0.12	0.06
							701.88	702.40	0.52m @ 1.29%	0.06	0.05
SMT369	391468.0	6513877.6	-441.5	-28.7	252.7	239.81	140.76	141.86	1.10m @ 1.02%	0.02	0.02
							143.44	144.18	0.74m @ 1.03%	0.02	0.02
							209.90	211.00	1.10m @ 1.03%	0.05	0.02
							215.84	219.40	3.56m @ 1.18%	0.08	0.03
							220.44	221.05	0.61m @ 1.30%	0.10	0.04
SMT373	391916.4	6513685.0	-800.0	-2.3	230.5	523.80	0.00	7.20	7.20m @ 2.10% Ni	0.22	0.05
							104.73	106.94	2.21m @ 2.11% Ni	0.12	0.05
SMT373A	391916.4	6513685.0	-800.0	-2.3	230.5	626.40	482.90	489.00	6.10m @ 5.73% Ni	0.42	0.12
							491.00	492.00	1.00m @ 1.48% Ni	0.12	0.03
							497.00	498.62	1.62m @ 1.06% Ni	0.11	0.03
							525.30	532.10	6.80m @ 5.02% Ni	0.46	0.09
							550.54	557.04	including 5.60m @ 5.74% Ni	0.52	0.10
									including 6.50m @ 5.82% Ni	0.36	0.11
including 6.06m @ 6.11% Ni	0.37	0.11									
TD8321W1	392356.6	6514308.5	342.7	-85.5	306.5	738.80	604.25	605.10	0.85m @ 1.71%	0.19	0.09
							616.40	616.85	0.45m @ 3.14%	0.18	0.09
TD8326	390286.0	6515857.0	342.3	-90.0	359.5	576.70	NSR				
TD8327	392662.7	6514311.7	342.8	-90.0	359.5	810.80	673.00	674.00	1.00m @ 1.34%	0.07	0.03
TD8328	394911.7	6517698.7	330.1	-90.0	359.5	151.00	NS				
TD8328A	394911.3	6517699.9	330.2	-90.0	359.5	663.80	453.20	454.20	1.00m @ 1.23%	0.14	0.03
TD8329	389771.6	6512987.0	336.0	-87.0	334.5	555.40	440.50	443.10	2.60m @ 3.22%	0.14	0.07
							508.00	509.00	1.00m @ 4.74%	0.41	0.12

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

**SMT** – drill hole assay results on drilling about the Schmitz/Jury-Metcalf mineralised zone

**TD** – drill hole assay results on drilling at East Deacon, Martin and Cruickshank

Notes:

- Intervals are down-hole lengths, not true-width
- Parameters: 1.0% Ni lower-cut off, maximum internal waste 1.0m, minimum intercept 0.4m

## 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 1SD</math> 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 accompanying document, the report is considered to be sufficiently balanced.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data is considered material to this report at this stage.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Routine exploration drilling is ongoing at the LNM. The results reported herein will have no material effect on the planned exploration programs currently underway at the LNM.</li> </ul>