News Release

11 August 2015

PANORAMIC RESOURCES LTD

VISION | COMMITMENT | RESULTS

ASX:PAN

Major Upgrade in Savannah Resources

Highlights

- Interim Savannah North Mineral Resource estimate **of 3.15 million tonnes @ 1.75% Ni for 55,200t Ni**
- **Total Resource Inventory at Savannah Project increased by 72,500t Ni to 128,800t Ni**
- **Total resources of copper and cobalt increased to 68,400t Cu and 7,800t Co**
- Only 50% of the planned drilling has been completed at Savannah North
- New Resources reported for the Sub 900 Zone and the Western Splay

Details

Panoramic Resources Limited (**ASX:PAN**) has been conducting extensive Resource definition drill programs at Savannah over the past 12 months, which have culminated in major upgrades in Resources for the Project.

Resource Drilling

Resource drilling programs at Savannah have focused on three mineralised areas (*Figure 1*), as follows:

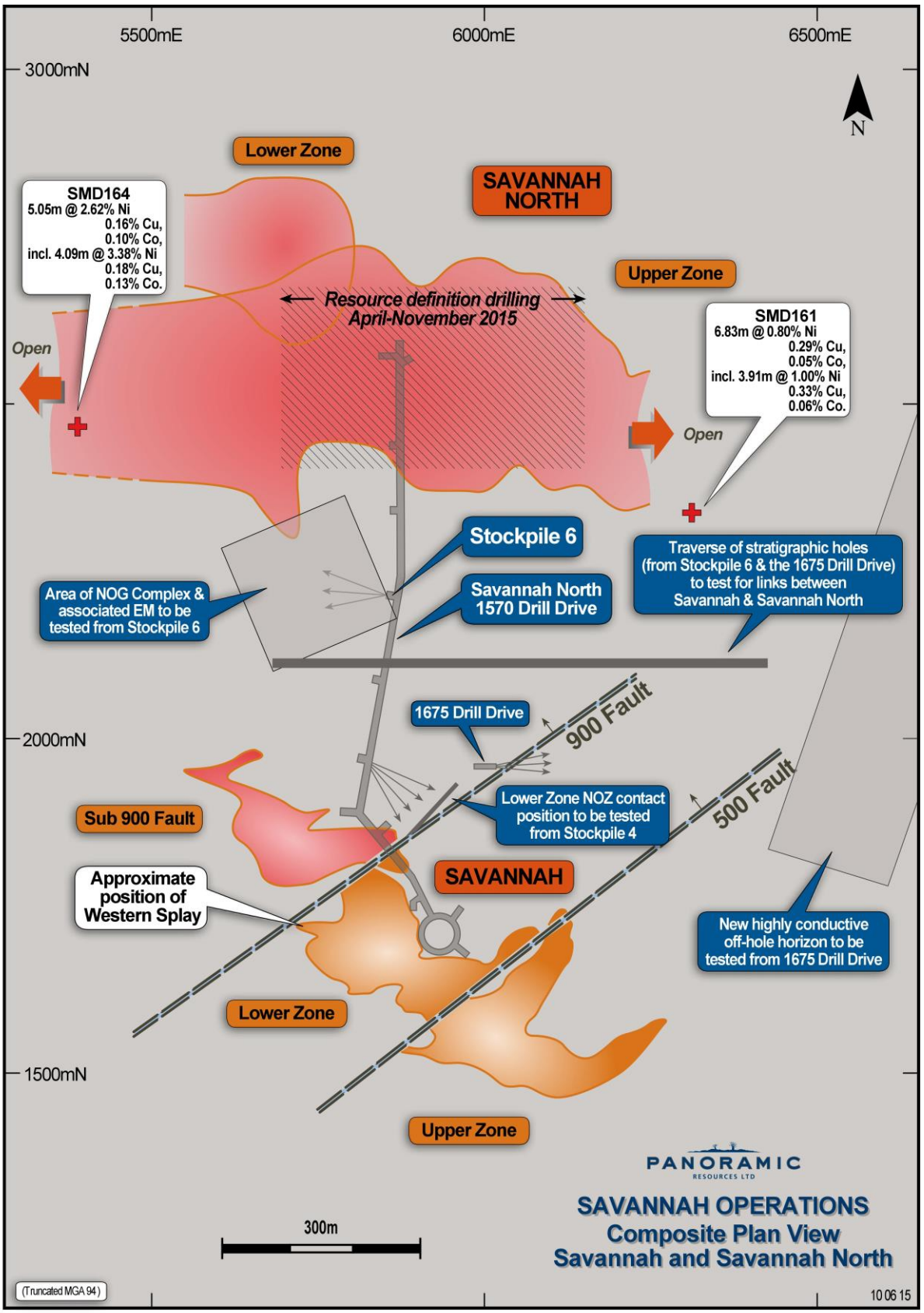
- The Western Splay Zone above the 900 Fault;
- The mineralisation below the 900 Fault (the "Sub 900 Zone"); and
- Savannah North.

Upgrades to the Savannah Project Mineral Resources, incorporating this latest drilling have been completed. As at 30 June 2015, the Savannah Project Resource Inventory is as shown in Table 1.

Table 1: Savannah Project 2015 Mineral Resource Inventory

Resource	Metal	Resource Date	JORC	Measured		Indicated		Inferred		Total		Metal Tonnes
				Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Savannah												
Above 900	Nickel	Jun-15	2012	2,346,000	1.46	927,000	1.67			3,273,000	1.52	49,700
	Copper				0.81		1.26				0.94	30,700
	Cobalt				0.08		0.08				0.08	2,700
Below 900	Nickel		2012			780,000	1.64	125,000	1.72	905,000	1.65	14,900
	Copper				0.76		0.75				0.76	6,900
	Cobalt				0.10		0.09				0.10	900
North	Nickel		2012					**3,155,000**	**1.75**	**3,155,000**	**1.75**	**55,200**
	Copper								0.78		0.78	**24,600**
	Cobalt								0.12		0.12	**3,800**
Copernicus												
Open Pit	Nickel	Jun-15	2004	184,000	1.20					184,000	1.20	2,200
	Copper				0.74						0.74	1,400
	Cobalt				0.05						0.05	100
Underground	Nickel	Jul-10	2004			508,000	1.30	25,000	0.98	532,000	1.29	6,800
	Copper						0.91		0.69		0.90	4,800
	Cobalt						0.05		0.02		0.05	300
Total	Nickel											**128,800**
	Copper											**68,400**
	Cobalt											**7,800**

Figure 1 – Plan View showing relative position of Western Splay, Sub 900 Zone and Savannah North



Savannah Orebody - Resources above and below the 900 Fault

Above the 900 Fault including the Western Splay - The Company has determined an upgraded Resource of **3.27 million tonnes @ 1.52% Ni for 49,700t Ni** for the mineralisation above the 900 Fault, including the Western Splay.

Sub 900 Zone – a maiden Resource of **905,000 tonnes @ 1.65% Ni for 14,900t Ni** has been determined for the mineralisation below the 900 Fault.

Savannah North Project

The Savannah North maiden Resource drill program commenced in April 2015 and as at 30 June 2015, the Company had defined an Interim Resource estimate of **3.15 million tonnes @ 1.75% Ni for 55,200t Ni,** covering a strike length of approximately 300m, between 5700mE to 6000mE (*Figure 3*). It should be noted that:

- **The resource drilling completed to-date covers only 50% of the planned maiden Resource test area and only 25% of the known strike extent of the Savannah North mineralised system (*Figure 2*);**
- **Based on current drilling and DHTEM data, the potential strike extent of the Savannah North mineralisation exceeds 1 km (between 5400mE and 6400mE);**
- Figure 2 is a geological cross section (Section 5900mE) showing the most completely drilled Resource section to date;
- Not all drill sections within this area have been completed and further infill holes may be drilled; and
- An Inferred Resource category has currently been assigned to the estimate.

Importantly, the Savannah North Resource Inventory reported in Table 1 is an interim Resource estimate that is expected to grow further as the maiden Resource drilling program is undertaken during the December 2015 quarter.

Commentary

The Company is pleased to report the significant increase in Resources at Savannah. The upgraded Resources at Savannah and the interim maiden Resource for Savannah North support the Company's view that there is potential to add significant mine life at Savannah. Importantly, both the Upper and Lower Zones of the Savannah North mineralisation are open to the east and west. The discovery of Savannah North highlights both the prospectivity of the North Olivine Gabbro and the strong potential to find other sources of mineralisation at the Savannah Project. The concentrate offtake agreement with the Jinchuan Group applies until 2020, providing a proven route to market for Savannah concentrates.

About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the $65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and produced 19,301t 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. The Company announced on 31 July 2015 the sale of its interest in the Mt Henry Project to Metals X Limited. 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, in which Rio Tinto is earning 70% in the project by spending up to C$20 million over five years.

Panoramic has been a consistent dividend payer and has paid out a total of $114.3 million in fully franked dividends since 2008. At 30 June 2015, Panoramic had $54 million in cash and no bank debt.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining company in the S&P/ASX 100 Index. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record.

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Competent Person

The information in this release that relates to Exploration Targets and Exploration Results is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights in relation to Panoramic Resources Limited.

The information in this report that relates to Mineral Resources is based on information compiled by Paul Hetherington.

Mr Hetherington is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited.

The aforementioned have sufficient experience that is relevant to the style of mineralisation and type of target/deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Both Mr Hicks and Mr Hetherington consent to the inclusion in the release of the matters based on the information in the form and context in which it appears.

Figure 2 – Savannah North Maiden Resource Drill Section 5900mE

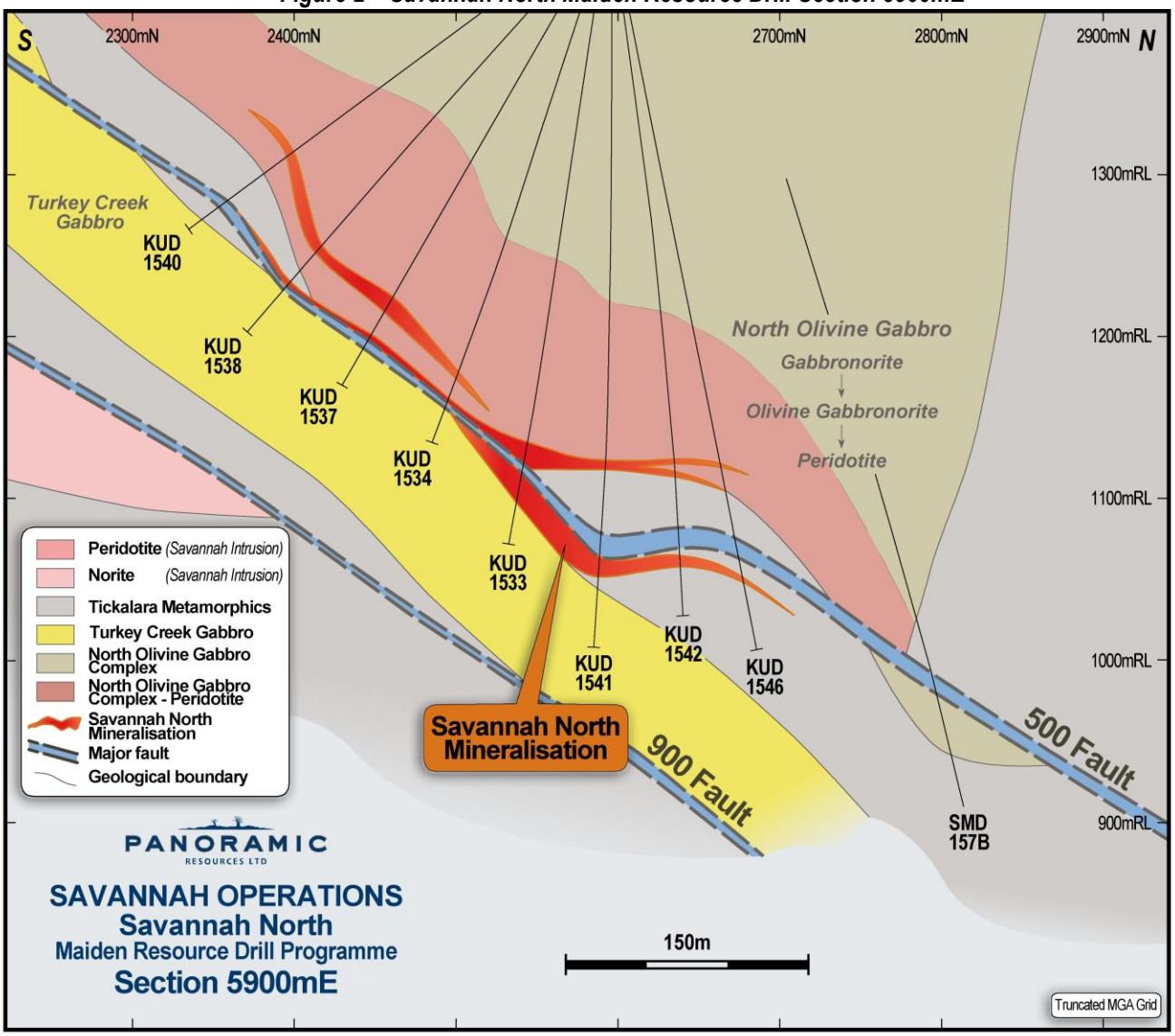

Figure 3 – Plan view of the Savannah North Project Maiden Resource drill program area

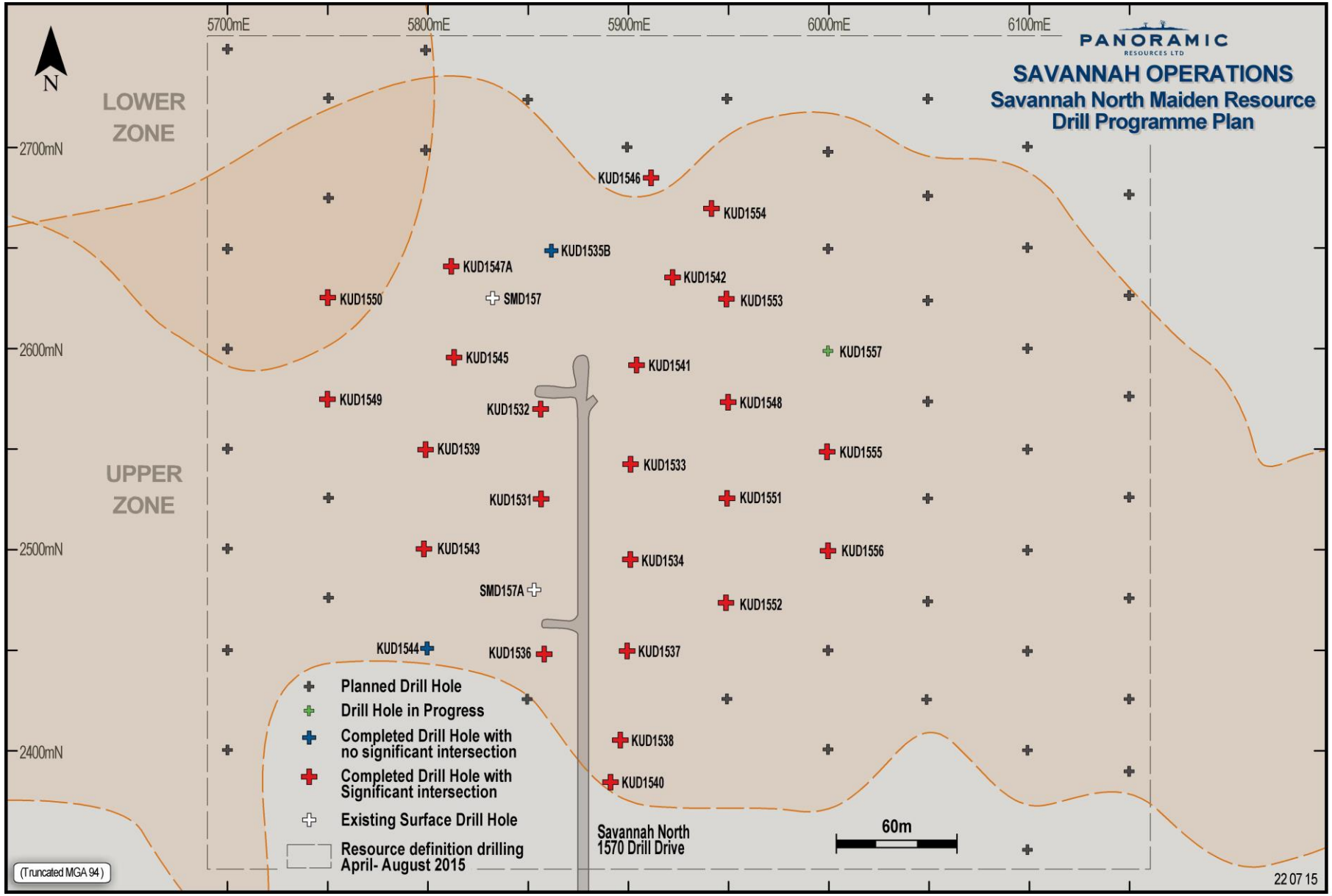

Table 2 - Summary of most recent 2015 Savannah North Drill Results

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept	Cu (%)	Co (%)
KUD1531	395864.0	8082571.6	1449.4	-82.1	192.4	425.50	278.00	279.00	1.00m @ 0.75 %	0.91	0.05
							282.60	286.47	3.87m @ 0.66 %	0.11	0.04
							334.80	336.15	1.35m @ 2.22 %	1.18	0.16
							394.50	395.80	1.30m @ 1.14 %	0.45	0.09
KUD1532	395862.8	8082573.4	1449.3	-88.2	299.4	404.50	359.00	369.70	10.70m @ 2.12 %	0.46	0.16
							383.30	385.02	1.72m @ 1.20 %	0.75	0.09
KUD1533	395883.3	8082590.8	1449.9	-82.5	158.0	383.60	318.70	355.90	37.20m @ 1.58 %	0.67	0.12
KUD1534	395883.0	8082590.6	1449.8	-72.3	171.5	332.60	286.95	289.30	2.35m @ 2.39 %	0.40	0.15
							303.65	304.95	1.30m @ 2.20 %	0.30	0.16
KUD1535	395864.2	8082575.0	1449.4	-76.8	355.1	30.00			Abandoned		
KUD1535A	395864.2	8082575.0	1449.4	-76.2	357.4	30.00			Faulted Contact		
KUD1535B	395864.2	8082575.0	1449.4	-76.7	355.4	452.90	373.00	374.00	1.00m @ 0.57 %	0.58	0.04
KUD1536	395864.2	8082571.2	1449.3	-63.6	187.2	325.30	288.50	293.50	5.00m @ 0.68 %	0.34	0.05
KUD1537	395882.8	8082590.0	1449.8	-59.3	174.9	323.00	244.00	246.75	2.75m @ 2.19 %	0.43	0.14
							253.00	269.75	16.75m @ 1.97 %	0.19	0.12
							285.30	290.00	4.70m @ 2.74 %	0.75	0.19
KUD1538	395882.9	8082589.5	1449.8	-46.0	174.0	329.70	238.20	239.40	1.20m @ 2.35 %	0.37	0.15
							253.00	255.10	2.10m @ 1.10 %	0.56	0.07
							259.95	272.00	12.05m @ 1.50 %	0.69	0.10
							284.50	291.85	7.35m @ 1.16 %	0.32	0.08
KUD1539	395862.9	8082572.6	1449.4	-77.7	250.9	395.50	343.60	347.55	3.95m @ 1.24 %	0.48	0.07
							359.00	371.35	12.35m @ 1.30 %	0.89	0.10
KUD1540	395882.7	8082589.1	1449.8	-33.1	177.1	314.30	233.70	238.15	4.45m @ 1.79 %	0.33	0.09
							281.90	283.25	1.35m @ 0.72 %	0.12	0.05
KUD1541	395884.1	8082593.1	1450.0	-84.6	66.6	443.60	327.10	330.83	3.73m @ 1.52 %	0.41	0.11
							389.50	400.00	10.50m @ 1.73 %	0.63	0.13
							412.35	414.94	2.59m @ 1.29 %	0.16	0.09
KUD1542	395883.0	8082594.1	1450.0	-80.3	18.5	426.00	329.60	331.60	2.00m @ 1.27 %	0.72	0.10
							336.72	339.60	2.88m @ 2.19 %	0.42	0.17
							388.75	395.12	6.37m @ 2.50 %	0.97	0.17
KUD1543	395863.2	8082571.8	1449.4	-72.1	221.9	368.90	304.55	305.80	1.25m @ 0.98 %	0.30	0.05
							322.00	327.16	5.16m @ 0.45 %	0.07	0.03
							331.26	332.35	1.09m @ 2.38 %	0.54	0.17
KUD1544	395863.5	8082571.3	1449.3	-61.8	209.2	332.90	304.65	306.00	1.35m @ 0.89 %	0.08	0.05
KUD1545	395863.0	8082573.9	1449.3	-80.1	299.4	420.00	375.65	385.55	9.90m @ 1.07 %	0.40	0.08
							393.25	397.56	4.31m @ 1.62 %	0.46	0.12
KUD1546	395883.0	8082594.1	1450.0	-76.4	1.7	456.00	409.20	410.25	1.05m @ 2.30 %	0.41	0.16
KUD1547	395863.1	8082574.4	1449.4	-75.3	321.3	15.00			Abandoned		
KUD1547A	395863.1	8082574.4	1449.4	-76.3	311.5	437.30	402.10	403.85	1.75m @ 1.84 %	0.78	0.15
							409.50	421.16	11.66m @ 1.47 %	1.02	0.12
KUD1548	395884.5	8082592.4	1449.9	-75.1	91.0	396.00	300.60	303.00	2.40m @ 0.51 %	0.13	0.04
							348.20	366.40	18.20m @ 2.41 %	0.99	0.17
KUD1549	395862.7	8082574.0	1449.4	-69.3	264.2	596.60	342.00	355.00	13.00m @ 0.65 %	0.47	0.04
							362.00	366.00	4.00m @ 0.91 %	0.40	0.05
KUD1551	395884.3	8082591.3	1450.0	-69.8	125.4	333.00	243.00	251.15	8.15m @ 0.62 %	0.19	0.05
							264.00	267.00	3.00m @ 1.40 %	0.22	0.11
							279.16	295.40	16.24m @ 0.94 %	1.40	0.07
KUD1552	395883.7	8082590.7	1449.8	-60.9	148.7	317.90	278.00	279.00	1.00m @ 1.22 %	0.56	0.08
KUD1553	395883.6	8082593.6	1450.0	-77.5	42.0	391.30	314.05	316.10	2.05m @ 2.65 %	0.72	0.19
							366.90	371.90	5.00m @ 2.37 %	1.02	0.15

Notes: 1. *Intervals are down-hole lengths, not true-widths, but for the holes listed in Table 2 above, these are effectively true widths*
2. *Parameters: 0.5% Ni lower-cut off, with discretionary internal waste to a maximum of 7.50m*
3. *Intercepts < 1.5 % m not included*

Disclosure - Table 2 is a summary of the Savannah North Project resource definition drill hole results as described in the main body of this announcement. The 2012 JORC Compliance Tables for the reporting of Mineral Resources (Section 1 and Section 3), relating to the interim Savannah North Project resource estimate are provided in Appendix 1. JORC Compliance Tables relating to Savannah Project resources have previously been released (refer to ASX announcement 30 September 2014).

Appendix 1 – JORC 2012 Disclosures

Savannah North Project - Table 1, Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Exploration & resource definition holes at Savannah North are entirely diamond cored holes. Most are drilled from underground. The deposit to date has been defined by 24 surface & UG exploration holes, totalling 20,150m. UG resource definition holes completed to 30 June 2015 total 30 holes for 10,386m. • The resource definition drill hole spacing is a nominal 50 x 50 metre grid spacing over the extent of the resource reported in the release accompanying this Table. • All drill hole collars were surveyed using Leica Total Station survey equipment by a registered surveyor. Down-hole surveys are typically performed every 30 metres using either "Reflex EZ Shot" or "Flexit Smart Tools". • All diamond core is geologically logged with samples (typically between 0.2 metre to 1 metre long) defined by geological contacts. Analytical samples are dominantly sawn half core samples. Sample preparation includes pulverising to 90% passing 75 µm followed by either a 3 acid digest & AAS finish at the Savannah onsite laboratory or a total 4 acid digest with an ICP OES finish if the samples are analysed off-site.
Drilling techniques	• 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).	• NQ2 sized diamond drilling has been used to obtain 100% of the data used in the estimate.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Diamond core recoveries are logged and recorded in the database. Overall recoveries are >99% and there are no apparent core loss issues or significant sample recovery problems. • Depths checked against core blocks, regular rod counts, driller breaks checked by fitting core together. • No relationship exists between sample recovery and grade
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• All diamond holes have been geologically logged in full. Geotechnical logging is 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 recorded in most holes and stored in the structure table of the database. • Recorded core logging attributes include lithology, colour, mineralisation, structural and other features. • All drill core is photographed.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Analytical core samples are dominantly sawn half NQ2 samples. • All resource definition samples are diamond core only. • All core sampling and sample preparation follow industry best practice. • QC involves the addition of purchased CRM and Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC is inserted in most sample batches. • Original versus duplicate assay results have always shown strong correlation due to massive sulphide rich nature of the Savannah North mineralisation. • Sample sizes are considered appropriate to represent the Savannah North style of mineralisation.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• The Savannah Nickel Mine (SNM) onsite laboratory standard analytical technique is a 3-acid digest with an AAS finish. The method best approaches total

Criteria	JORC Code explanation	Commentary
	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	dissolution for most minerals The onsite exploration sample analytical method for Ni,Cu,Co is AAS 22S. Exploration samples sent off-site are analysed using a 4-acid digest with either ICP OES or AAS finish (AAS for ore grade samples). • No other analytical tools or techniques are employed. • The onsite laboratory is run by SGS Laboratory Services • The onsite laboratory carries out sizing checks, uses internal standards, duplicates, replicates, blanks and repeats. A selection of roughly 10% of pulps was sent to external laboratories for repeat analysis and sizing checks. No bias has been identified.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Drilling and sampling procedures at SNM have been inspected by many stakeholders since the project began. • The practice of twinning holes is not employed at Savannah North. • Holes are logged into Excel templates on laptops. The data is then entered into a SQL server database via a DataShed front end. Data is then replicated to the Perth office. Data periodically validated by site personnel. • No adjustments have been made to assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All diamond drill hole collars are surveyed using Leica Total Station survey equipment by a registered surveyor. "Reflex EZ Shot" or "Flexit Smart Tool" was used for down-hole surveys at approximately every 30m. • The mine grid is a truncated 4 digit (MGA94) grid system. • Conversion from local grid to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: • E: +390000, N: +8080000N • Topographic control is well established, RL equals AHD + 2,000m.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Exploration drill holes are spaced on a geological basis as opposed to a nominal drill hole spacing. • For the most part drilling is typically conducted on a regular spacing, sufficient to achieve the objectives of the drill program. For the current Savannah North resource definition program the nominal spacing is 50m x 50m. • The mineralized domains delineated by the drill spacing show enough continuity to support the classification applied under the 2012 JORC Code. • No sample compositing has been undertaken.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The geometry of the Savannah and Savannah North mineralisation to most drill positions is nearly always oblique. For this reason all SNM drill results are reported as down-hole intersection lengths and not true widths. • No orientation sampling bias has been identified.
Sample security	• The measures taken to ensure sample security.	• Samples transported to onsite lab by PAN staff. Samples sent off site are road freighted (Nexus transport) and tracked using spreadsheets onsite.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• 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.

Savannah North Project - Table 1, Section 3 – Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• An Excel logging templates with lookup tables and fixed formatting is used for logging and data collection. • Data validation checks are performed every time a drill hole is entered to the database using a checklist.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The competent person is a site based, full time employee of the Company.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• The Savannah North mineralisation dips moderately (40-45 degrees) to the north-west and comprises two main domains, the first domain is associated with the basal contact of the North Olivine Gabbro, the second domain is remobilised massive sulphide mineralisation detached from the contact. Both domains are well defined by the drilling and the interpretation is considered robust. • No other interpretations have been considered as the current model is demonstrably robust. • Geological controls were used to create the domains. The interpretation has been defined by the presence of strong and continuous zones of massive sulphide mineralization. • The detached domain of remobilised massive sulphide mineralisation is related to the NW dipping 500 Fault zone. • There are some instances where intervals of internal dilution have been included with the mineralized envelope- generally less than 0.5m
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Savannah North mineralization has been defined over a strike length of 1 kilometre. The interim resource reported herein relates to an area with a strike length of 300m from 5700mE to 6000mE. The average thickness of mineralisation is approximately 5 meters.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables.	• Inverse Distance squared methodology was employed using Surpac™ software to estimate Ni, Co, Cu and Density into a 3D block model. Top cut analysis was undertaken for each domain using grade histograms, no extreme values were detected and therefore no top cuts applied. A search radius of 125m was used for the main basal domain, with a minimum of 3 samples and a maximum of 15 samples. • No check estimates have been performed to date. This estimate has yielded similar characteristics of previous Savannah estimates. • By-product credits for Copper and Cobalt form part of the off-take agreement between PAN and Jinchuan. • No deleterious elements have been modelled in the resource estimate; the Savannah orebody has low MgO and negligible Arsenic levels. • A block model was created using Surpac software with parent cell dimensions of 4m N x 20m E x 10m RL parent cells, sub celling to 0.5m N x 2.5m E x 1.25m RL. Block discretisation points were set to 2(Y) x 5(X) x 4(Z) points. The block dimensions approach half the average drill spacing of 50m. • No selective mining units were assumed in the estimate. • Nickel and cobalt show a very strong correlation. Nickel and copper are more variable. • The geological interpretation was used to derive the domains using massive sulphide content, lithology and structural boundaries. These were wireframed and used as hard boundaries to flag sample data for estimation. • Statistical analysis of the grade populations indicated no extreme values and a low coefficient of variation.

Criteria	JORC Code explanation	Commentary
	• Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• Validation included comparing the raw data statistics to block estimates, volumes of wireframes to block model volumes, drill holes and block model value plots were produced for a visual check of the grades. • Similar validation methods have been proven to be reliable at Savannah where good reconciliation data exists between mined and milled figures.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages estimated on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• 0.5%Ni was used as a cut-off when defining the mineralised wireframes.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Mining at Savannah has been ongoing since 2004 • Underground, sub-level open stoping is used effectively to extract the ore at Savannah and a similar extraction method is likely for Savannah North. • As the interim Savannah North has been categorised entirely as **Inferred** no further mining assumptions are warranted. • Mining factors will be applied during Ore Reserve conversion.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Savannah ore has been successfully treated through a 1MTPA SAG mill and flotation circuit since commissioning in 2004. • The metallurgical nature of the mineral resource in this estimate has not changed. • Metallurgical factors are addressed in Ore Reserve conversion. • Preliminary testwork conducted on the Savannah North mineralisation has indicated that it has identical metallurgical characteristics as Savannah ore.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Savannah Nickel Mines operate under the conditions set out by an environmental license to operate. • At this stage It is likely that extraction of the Savannah North resource will be undertaken under the same license conditions
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Bulk density is determined using the water displacement method for all Savannah North assay samples. • Voids within the mineralised zones are non-existent • The search parameters for density were the same as nickel for all domains. A default bulk density of 2.88 was assigned to waste material. The default density value was determined from a well-established regression formula.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	• The classification adopted is based on the level of confidence as set out in the JORC 2012 guidelines.. • Because drilling is ongoing and additional infill holes may be drilled the entire resource has been classified as **'Inferred'** • The estimate appropriately reflects the view of the competent person.

Criteria	JORC Code explanation	Commentary
	• Whether the result appropriately reflects the Competent Person's view of the deposit.	
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• The resource estimate has been peer reviewed on site and by PAN's corporate technical team.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	• The relative accuracy of the resource estimate is considered robust as it has been compiled as per the guidelines of the 2012 JORC Code, and knowledge gained from extensive operational history at Savannah.
	• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	• The statement relates to global estimates of tonnes and grade.
	• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Mine to mill reconciliation records throughout the life of the Savannah Project provide confidence in the accuracy of the resource estimate.