News Release

21 March 2016

PANORAMIC RESOURCES LTD

VISION | COMMITMENT | RESULTS

ASX:PAN

Excellent drill results at Savannah North

Highlights

- **Excellent intersections achieved in first four drill holes, returning better than expected widths and grades**
- **Best result 17.45m at 2.47% Ni, 1.31% Cu and 0.16% Co in KUD1576, intersected outside current Resource**

Details

Panoramic Resources Limited (**ASX:PAN**) is pleased to announce the resumption of Resource drilling at Savannah North.

The first three holes of the new drill program were targeted at Section 6100mE (see *Figure 2*) approximately 50m inside the eastern extent of the current Savannah North Resource (*refer to the Company's ASX announcement dated 1 October 2015*). All three holes intersected better than expected widths and grades of mineralisation. The fourth hole (KUD1576) was targeted a further 100m to the east on Section 6200mE and also intersected significant width and grades of mineralisation.

Results for the four Savannah North drill holes described above are summarised as follows: (*Refer to Table 1 for more detail*)

- **17.15m at 2.16% Ni, 0.91% Cu and 0.16% Co in KUD1573**
- **12.20m at 1.99% Ni, 0.66% Cu and 0.15% Co in KUD1574 and**
- **13.00m at 2.09% Ni, 1.14% Cu and 0.16% Co in KUD1575**
- **28.40m at 2.06% Ni, 1.00% Cu and 0.14% Co in KUD1576, including**
  - **17.45m at 2.47% Ni, 1.31% Cu and 0.16% Co from 339.4m; and**
  - **4.95m at 2.29% Ni, 0.67% Cu and 0.15% Co from 362.95m**

(*Note: all intersections are intersection lengths and not true widths*)

Significance of KUD1576

The intersection in KUD1576 is significant. Firstly, it is located 50m to the east of the existing Savannah North Resource thereby confirming the continuation of the Savannah North mineralisation up dip to the east, as predicted by the geological model. Secondly, the mineralisation intersected in KUD1576 is only 40m lower than the bottom of the existing decline in the Savannah mine.

Drilling is ongoing and a second rig has commenced work on the Savannah North drill program.

Savannah North Resource Drill Program Overview

The maiden Savannah North Resource drill program commenced in April 2015. The program was temporarily suspended in August 2015 to facilitate the completion of Mineral Resource estimates and Savannah North Scoping Study. Following the positive outcomes of the Scoping Study (*refer to the Company's ASX announcement dated 27 January 2016*) the Company resumed underground Resource drilling at Savannah North in late February 2016.

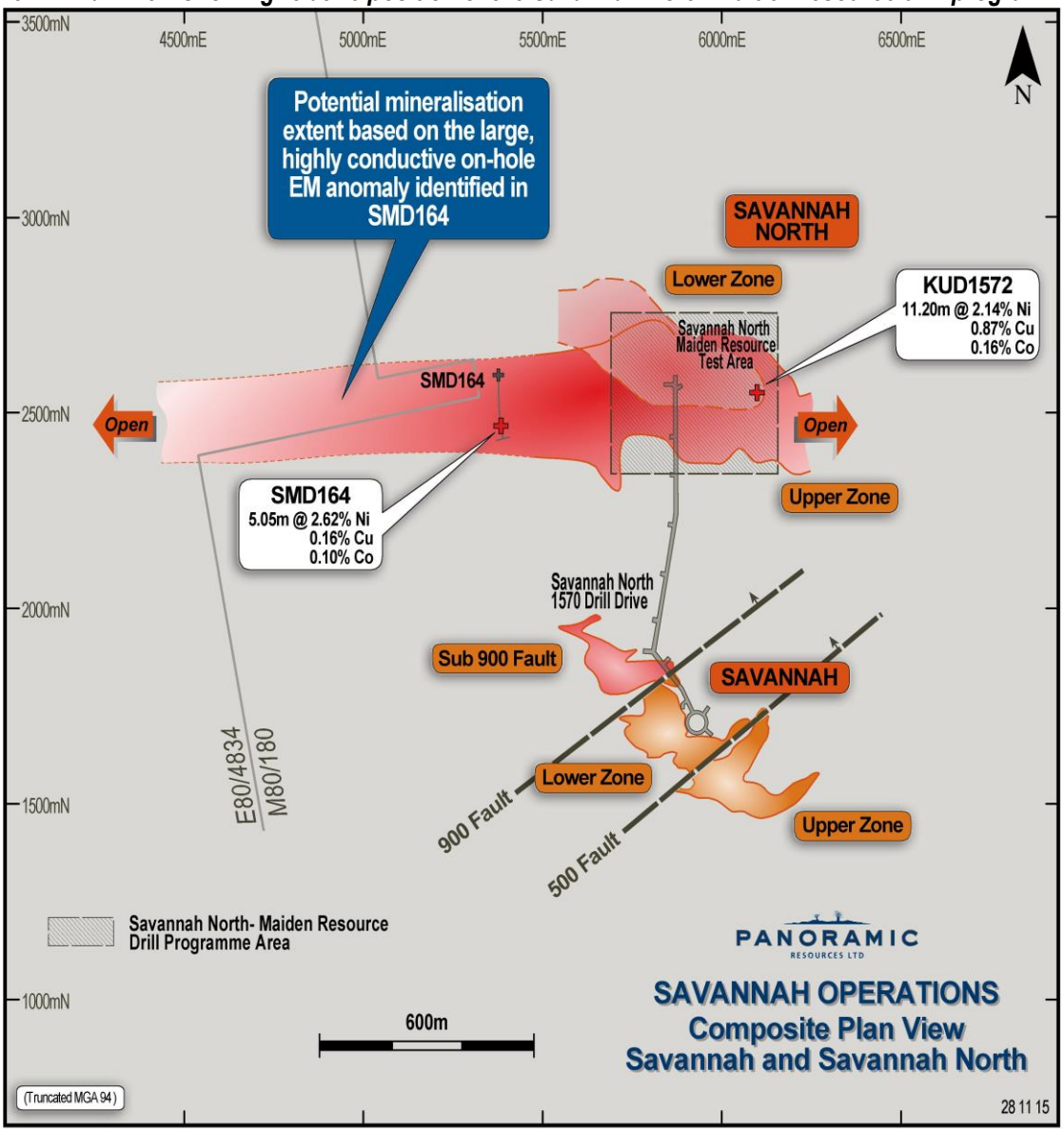
The resumption of underground Resource drilling at Savannah North is designed to convert more resources from Inferred to Indicated Category and to test up and down dip extension to the current Resource. The drilling, which is expected to take between 5-6 months to complete using two drill rigs, has three main components:

- *Program 1 – Up-Dip to the East (High Priority)*
  The time and capital development required to access the first ore at Savannah North can be reduced significantly if the Savannah North Resource extends up-dip to the east, towards the existing Savannah mine levels. A program of up to 20 diamond holes comprising approximately 8,000m is now underway testing this scenario.

- *Program 2 – Lower Zone infill high grade Inferred area (High Priority)*
  Preliminary Savannah North mine designs have highlighted the significant contribution delivered by the deeper levels of the high-grade Savannah North Lower Zone Resource. The Resource in this area is defined by a limited number of drill intersections. In order to de-risk the mine designs in this area, greater Resource confidence is required and therefore a ten hole program comprising approximately 7,300m is planned to infill this area.

- *Program 3 – Upper Zone western extension*
  Prior to ceasing the Savannah North Maiden Resource drill program in August 2015, it had been intended to infill (on a 100m by 100m spacing) the area between the western edge of the Maiden Resource test area (5700mE) and surface hole SMD164, a distance of ~300m (*Figure 1*). A significant portion of the unclassified mineralisation in this area could be converted to an Inferred or Indicated Resource category by further drilling. A ten hole drill program comprising 5,800m is planned for this area.

Figure 1 – Plan View showing relative position of the Savannah North maiden resource drill program



Commentary

The discovery of Savannah North mineralisation highlighted both the prospectivity of the North Olivine Gabbro and the potential to find other sources of mineralisation at the Savannah Project.

The preliminary results from the new Resource drilling program at Savannah supports the Company's view that there is potential to add significant mine life at Savannah. Importantly, both the Upper and Lower Zones at Savannah North are open to the east and west and KUD1576 has already confirmed Savannah North extends at least another 50m to the east of the known Resource.

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. The Lanfranchi Project was placed on care and maintenance in November 2015. The Company has advised that it intends to place the Savannah Project onto care and maintenance in May 2016 pending an improvement in the price of nickel.

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 Gum Creek Project located near Wiluna. 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 31 December 2015, Panoramic had $25 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.

For further information contact:
Peter Harold, Managing Director
+61 8 6266 8600

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 aforementioned has 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. 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.

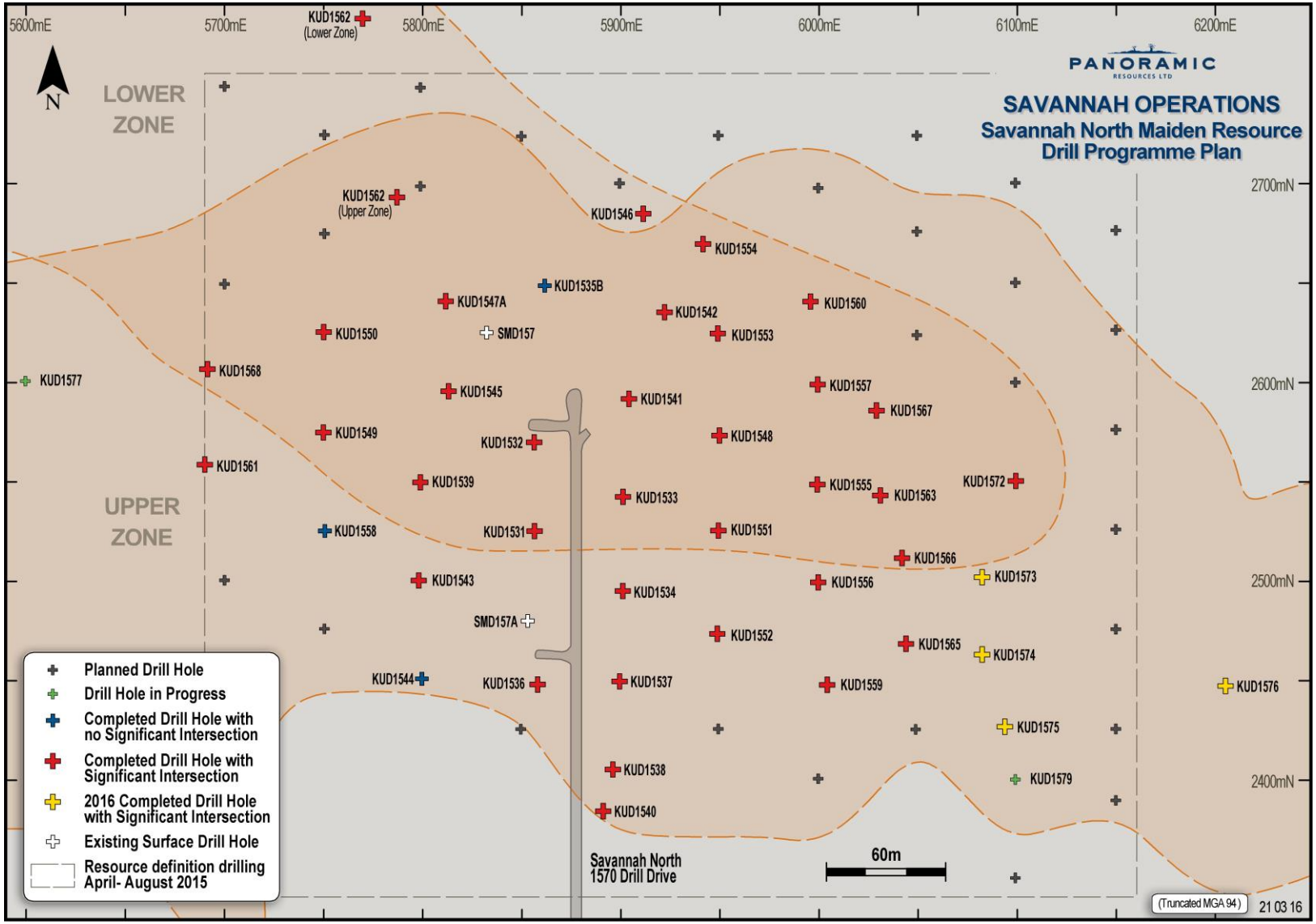
Table 1- Summary of Savannah North Resource Drill Results

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept (m @ % Ni)	Cu (%)	Co (%)
KUD1573	395885.5	8082589.8	1450.4	-36.0	110.4	304.30	273.00	290.15	17.15m @ 2.16 %	0.91	0.16
KUD1574	395885.1	8082589.5	1450.8	-29.0	121.2	315.00	268.50	280.70	12.20m @ 1.99 %	0.66	0.15
KUD1575	395885.4	8082588.9	1450.9	-17.0	128.2	294.70	273.70	286.70	13.00m @ 2.09 %	1.14	0.16
KUD1576	395885.4	8082589.8	1451.3	-11.5	111.5	385.90	339.50	367.90	28.40m @ 2.06 %	1.00	0.14
including							339.50	356.95	17.45m @ 2.47%	1.31	0.16
and							362.95	367.90	4.95m @ 2.29 %	0.67	0.15

Notes: 1. *Intervals are down-hole lengths, not 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 1 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 Estimation and Reporting of Mineral Resources (Section 1 and Section 3), are provided in Appendix 1. JORC Compliance Tables relating to the Savannah Project Resources have previously been released (refer to the Company's ASX announcement of 30 September 2015).

Figure 2 – Plan view of the Savannah North Project Maiden Resource drill program area



Appendix 1 – 2012 JORC 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 and 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 and UG exploration holes, for a total 20,150m. UG resource definition holes completed to 25 September 2015 total 38 holes for 15,300m. • 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 drillholes 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 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.

Criteria	JORC Code explanation	Commentary
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 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).
	• 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.	• No other analytical tools or techniques are employed. The onsite laboratory is run by SGS Laboratory Services
	• 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.	• 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.	• Drilling and sampling procedures at SNM have been inspected by many stakeholders since the project began.
	• The use of twinned holes.	• The practice of twinning holes is not employed at Savannah North.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• 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.
	• Discuss any adjustment to assay data.	• 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.	• All diamond drillhole collars are 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.
	• Specification of the grid system used.	• 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
	• Quality and adequacy of topographic control.	• Topographic control is well established, RL equals AHD + 2,000m.
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• Exploration drill holes are spaced on a geological basis as opposed to a nominal drill hole spacing.
	• 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.	• 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 mineralised domains delineated by the drill spacing show enough continuity to support the classification applied under the 2012 JORC Code.
	• Whether sample compositing has been applied.	• 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.	• 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.
	• 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.	• No orientation sampling bias has been identified.
Sample security	• The measures taken to ensure sample security.	• Samples transported to onsite lab by SNM staff. Samples sent off site are road freighted (Nexus transport) and tracked using spreadsheets onsite.
Audits or reviews	• 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 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The Savannah Nickel Mine (SNM), incorporating the Savannah North Project is an operating mine secured by five contiguous Mining Licences, ML's 80/179 to 80/183 inclusive. All tenure is current and in good standing. SNM has the right to explore for and mine all commodities within the mining tenements, being. • SNM has all statutory approvals and licences in place to operate. The mine has a long standing off-take agreement to mine and deliver nickel sulphide concentrate to the Jinchuan Group in China.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.
Geology	• Deposit type, geological setting and style of mineralisation.	• The SNM is based on mining ore associated with the Savannah Intrusion; a palaeo-proterozoic mafic/ultramafic magma conduit. The Ni-Cu-Co rich massive sulphide mineralisation occurs as "classic" magmatic breccias developed about the more primitive, MgO rich basal parts of the conduit.
Drill hole Information	• 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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All exploration at SNM is conducted on the Savannah mine grid, which is a "4 digit" truncated MGA grid. Conversion from local to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000. RL equals AHD + 2,000m • Surface holes are generally cored from surface commencing with PQ, reducing to HQ and completed NQ2. RC precollars may also be used. • Most underground holes are drilled NQ2 size. Some LTK60 holes have been routinely drilled in the past. Occasionally HQ and BQ size holes have been drilled for specific purposes. All Savannah North resource definition drillholes are NQ2 size. • For hole details pertaining to this release including collar and setup details, see Tables within the body of the main release. • The design and interpretation of EM surveys conducted at Savannah (including Savannah North) for Panoramic is undertaken by Newexco Services Pty Ltd in Perth.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All assay intersections for the Savannah North Project are reported based on a weighted average grade for the intersection using parameters of 0.5% Ni lower cut-off, SG, minimum reporting length of 1m and maximum internal waste of up to 7m. • Cu and Co grades were determined by the defined Ni grade interval, ie they were not calculated independently • The SG of all Savannah North assay samples is determined by the "water displacement method".
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The geometry of the Savannah and Savannah North mineralisation to most drill positions is nearly always oblique. For this reason all drill results are always reported as down-hole intersection lengths and not true widths.
Diagrams	• 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.	• Based on the limited level of data currently available for the Savannah North Project Panoramic believe that a simplified plan and sectional view showing the location of the drilling in relation to the main areas of the SNM operation is appropriate.
Balanced reporting	• 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.	• Based on the fact that exploration results reported for the Savannah North Project to date are at an early stage, involving broadly spaced drill holes and EM survey data, the report is considered to be sufficiently balanced.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• 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.	• No other exploration data is considered material to this release at this stage.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The exploration results reported herein form part of an ongoing exploration program by Panoramic to explore the Savannah North Project area. Details of the Company's plans for the Savannah North Project have been released regularly in ASX announcements. Further results will be reported when they become available.