

Operational and Corporate Update

Key Points

- **Savannah Nickel**
 - **Record monthly production of 1,263t Ni in April**
 - Metallurgical testwork has demonstrated the plant can produce **significantly higher nickel concentrate grades at improved metal recoveries**
 - Plant trials have confirmed that the Savannah plant can operate at 130-140tph which equates to an annual throughput rate of 1.1-1.2Mt at 95% availability
 - Savannah has moved onto care and maintenance with the last stockpiled ore milled on 20 May
- **Savannah North**
 - Latest drilling results from the exploration program to extend the Savannah North Resource continue to demonstrate the quality of this resource
 - The best intersection of the current drill program is **23.03m @ 2.09% Ni, 1.10% Cu, 0.14% Co and 4.95m @ 2.29% Ni, 0.67% Cu, 0.15% Co in KUD1576**
- **Gum Creek Gold**
 - Fourteen new exploration targets identified
 - Given the results of the March 2016 Scoping Study, recent exploration results and the buoyant gold sector, the Company has decided to run an IPO process in conjunction with the trade sale
- **Corporate**
 - **Cash and receivables at 27 May totalled \$28.5M**
 - The one for three entitlement offer was extremely well supported by existing shareholders who took up 78% of the available shares
 - Our Major shareholder, Zeta Resources Limited, now holds 24.7% of the Company
- **Strategy**
 - The Company's primary purpose is to grow our Resource base and mine those Resources profitably and return value to shareholders through capital growth and dividends

Savannah on Care and Maintenance

Record metal production at Savannah in April of 1,263t contained nickel, surpassing the previous monthly production record set in December 2011. Production for May (unreconciled) is estimated at 711t of contained nickel. The final shipment of concentrate (10,500-11,000wmt) is due to depart in late June.

During April, plant trials were conducted on site with the combined assistance of Glencore Technologies, Integrated Global Partners and JK Tech. The purpose of the trials was to quantify the physical benefits of using IsaMill™ and Jameson Cell™ technologies on Savannah ore. The test work results were very positive, showing improved concentrate grades and metal recoveries at various feed grades. The final results will be incorporated into the Savannah North Feasibility Study, which is scheduled to be completed during the December 2016 quarter. Processing during March and April also confirmed that the Savannah plant can operate at 130-140tph, which equates to an annual throughput rate of 1.1-1.2Mt at 95% availability.

Following on from the decision in January 2016 to preserve the value of the remaining Savannah orebody given the low US\$ nickel price environment, concentrate production at the Savannah ceased on 20 May with all stockpiles of Savannah and Copernicus ore depleted. A further 70 people were made redundant on 26 May and the balance of the workforce will be made redundant at the end of the site clean-up program, which is scheduled for mid to late June 2016.

The plan during the care and maintenance period is to:

- complete the Feasibility Study on the Savannah + Savannah North Project;
- grow the Resource base by undertaking additional exploration testing the strike and width dimensions of Savannah North;
- study the technical aspects and economics of producing a higher nickel grade bulk concentrate, separate nickel and copper concentrates, and/or a nickel/copper/cobalt matte;
- determine ways to increase the mining rates through the utilisation of new technologies and/or a haulage shaft to better match mining rates with the mill capacity, thereby reducing unit costs; and
- identify opportunities to reduce fixed and variable costs to reduce unit costs.

Until all these work streams are completed, the Company is not able to provide guidance on the A\$ nickel price required for a restart and therefore the potential timetable for a restart.

The remaining Mining Inventory at Savannah is readily accessible with little new capital development required. The Company anticipates that the free cashflow generated from milling and processing of the remaining Savannah material when the nickel price improves and the project is restarted will underpin the development of Savannah North.

Savannah North

The discovery of Savannah North has highlighted both the prospectivity of the Savannah North Intrusion and the potential to find other sources of mineralisation at Savannah.

Several drill programs are underway to convert Resources from Inferred to Indicated Category and to test up and down dip extensions utilising two underground diamond drill rigs located in the Savannah North 1570 Drill Drive (*refer to Figure 1 for hole locations and Figure 2 for a sectional view at Section 6100E*).

Prior to the commencement of the recent drill programs in late February 2016, **only around 30% of the potential strike length of the Savannah North system had been tested.**

Program 1 – Savannah North Up-Dip to the East

The Savannah North Scoping Study (January 2016) highlighted that the time and capital development required to access first ore at Savannah North could be significantly reduced if the Savannah North Resource extends up dip towards the existing Savannah mine levels. A program of up to 20 diamond holes comprising approximately 8,000m has commenced to determine the proximity of the Savannah North mineralisation to the existing Savannah mine levels.

Results for the first fourteen holes of Program 1, which targeted Sections 6100mE, 6200mE and 6300mE, produced significant widths and grades of mineralisation. The best results are summarised below:

- **22.97m @ 1.79% Ni, 0.75% Cu, 0.13% Co (KUD1573)**
- 15.20m @ 1.76% Ni, 0.60% Cu, 0.13% Co (KUD1574)
- 16.40m @ 1.78% Ni, 0.96% Cu, 0.14% Co (KUD1575)
- **23.03m @ 2.09% Ni, 1.10% Cu, 0.14% Co and 4.95m @ 2.29% Ni, 0.67% Cu, 0.15% Co (KUD1576)**
- 9.80m @ 1.33% Ni, 0.34% Cu, 0.09% Co (KUD1579)
- 12.35m @ 1.32% Ni, 0.28% Cu, 0.09% Co (KUD1581)
- **13.10m @ 2.43% Ni, 0.55% Cu, 0.18% Co and 3.18m @ 1.18% Ni, 0.58% Cu, 0.18% Co (KUD1583)**
- 5.90m @ 2.90% Ni, 0.16% Cu, 0.20% Co (KUD1584)
- 3.55m @ 2.19% Ni, 0.28% Cu, 0.16% Co (KUD1587)

Note: all intersections are down-hole lengths and not true-widths. The hole details and JORC Compliance Tables are contained in Appendix 1.

The Program 1 results are very positive and confirm the continuation of the Savannah North mineralisation up dip to the east as predicted by the geological model. All Program 1 holes to the east of 6150mE are outside the current Savannah North Resource.

Further Resource drilling up dip to the east beyond Section 6350mE is not practical from the existing 1570 Drill Drive and will require the development of a new underground drill position. Program 1 has now been temporarily suspended to focus on Program 2.

Program 2 – Lower Zone infill high grade Inferred area

Preliminary Savannah North mine designs completed as part of the January 2016 Scoping Study highlighted the significant contribution delivered by the deeper levels of the high-grade Savannah North Lower Zone Resource. This zone was previously constrained by a limited number of drill intersections. In order to de-risk the mine designs in this area, greater Resource confidence is required and a ten hole program comprising approximately 7,300m has commenced to infill this area. Three holes of this program have been completed to date, with the best result being an impressive:

- **13.45m @ 2.06% Ni, 1.07% Cu, 0.0.12% Co including 10.05m @ 2.42% Ni, 1.09% Cu, 0.15% Co (KUD1591)**

Note: all intersections are down-hole lengths and not true-widths. The hole details and JORC Compliance Tables are contained in Appendix 1.

The first hole of the program (KUD1586) did not intersect mineralisation at the expected Lower Zone target depth, but did intersect two mineralised zones associated with the Upper Zone. A down hole electromagnetic (DHEM) survey of KUD1586 will be undertaken to identify mineralisation and determine if the hole should be extended.

The second hole of the program was completed by extending existing drill hole KUD1550A and targeted the predicted south-western margin of the Lower Zone where a strong off-hole DHEM conductor was detected in surface hole SMD160 located 35m to the southwest. KUD1550A was stopped due to drilling difficulties after passing through a 3.8m zone of mineralisation, so it is not clear whether the hole penetrated the full extent of the Lower Zone. A DHEM survey of the hole will be undertaken to resolve this uncertainty.

The high-grade Lower Zone intersection in KUD1591 is 130m down-dip of KUD1562 which intersected **25.95m @ 2.55% Ni, 1.49% Cu, 0.17% Co**, previously the deepest Lower Zone intersection. Drill hole KUD1591 also returned an Upper Zone intersection of **4.60m @ 2.08% Ni, 0.28% Cu, 0.15% Co** at the basal contact of the Savannah North intrusion. Importantly, the Upper Zone intersection in KUD1591 is outside the current Savannah North Upper Zone Resource.

Program 3 – Upper Zone western extension

A ten hole drill program comprising 5,800m is planned 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 (5400mE), a distance of ~300m (*Figure 1*). SMD164 is the western most Savannah North drill hole and returned an Upper Zone intersection of **5.05m @ 2.62% Ni, 0.16% Cu, 0.10% Co**. The intersection in SMD164 is coincident with a major on-hole EM response, which when modelled projects the Upper Zone mineralisation a further one kilometre to the west (*refer to Company's ASX announcement of 25 August 2015*).

Three holes in this program were completed prior to switching the drill rig onto Program 2. Best results are:

- **10.60m @ 1.00% Ni, 0.88% Cu, 0.06% Co (KUD1578)**
- **9.50m @ 1.45% Ni, 0.37% Cu, 0.07% Co (KUD1585)**

Note: all intersections are down-hole lengths and not true-widths. The hole details and JORC Compliance Tables are contained in Appendix 1.

The first hole of the program (KUD1577) failed to intersect significant mineralisation, instead intersecting a thick post-mineralisation dyke at the target depth, which may have caused the Upper Zone mineralisation to be displaced in this area. A DHEM survey will be conducted to determine if this is the case. KUD1578 and KUD1585 intersected broad zones of moderate grade mineralisation at their nominated target depths. These intersections confirm the continuous nature of the Upper Zone mineralisation between the Maiden Resource area to the east and surface drill hole SMD164 on Section 5400mE.

Figure 1 – Plan View showing position of 2016 Savannah North drill holes

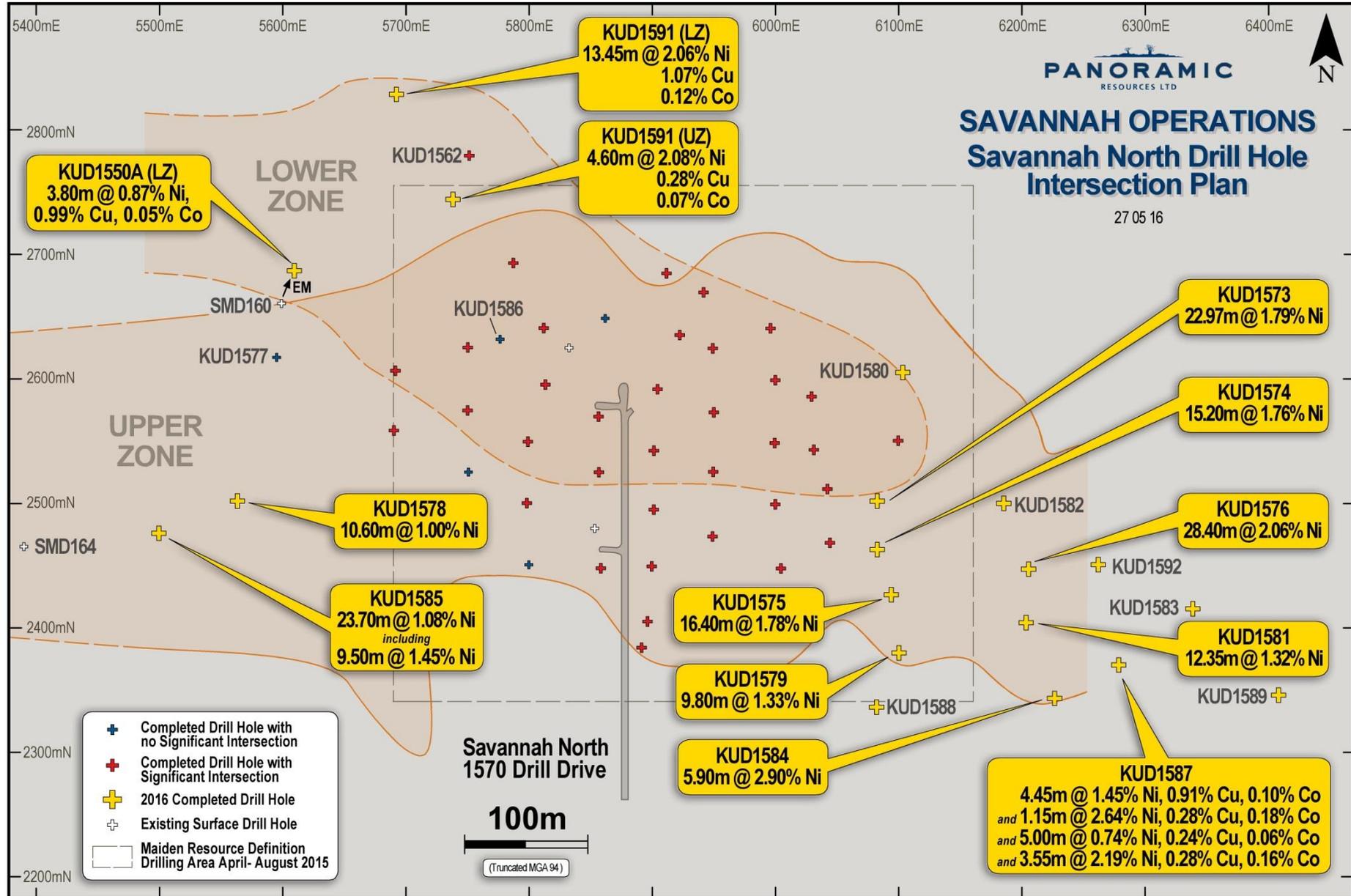
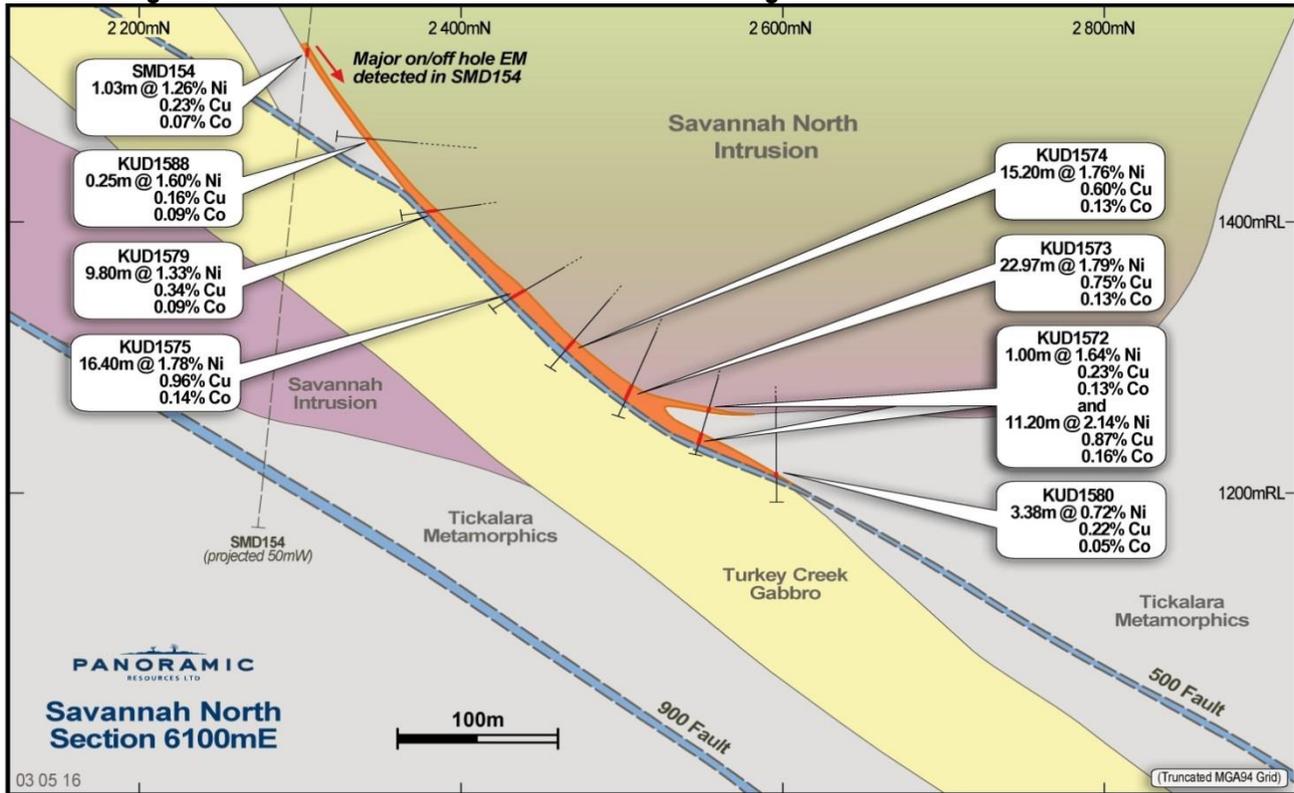


Figure 2 – Savannah North Section 6100mE showing 2016 Savannah North drill holes



Gum Creek Gold

Scoping Study

An updated Scoping Study of the Gum Creek Gold Project based on the processing of free milling open-pit Resources was released in March (refer to the Company's ASX announcements of 18 March 2016 and 22 March 2016).

Exploration

In 2015, Panoramic completed ground gravity and airborne electromagnetic surveys over the Gum Creek Gold Project. The geophysical data collected was subsequently integrated with existing magnetic surveys, geological mapping and the drill-hole database to identify new exploration targets.

As part of this work, the shear zone associated with the Wilsons gold deposit has been more accurately defined with **14 new targets along this zone identified for follow up exploration**. An Induced Polarisation (IP) test survey has been completed over the Wilsons deposit showing a clear chargeable source coincident with the known Wilsons mineralisation. In addition, **IP surveying along the host shear has identified several similar chargeable anomalies that require further testing**.

Way Forward

Due to the results of the March 2016 Scoping Study, recent exploration results and the buoyant gold sector, the Company has decided to run a dual IPO/trade sale process. The Company believes this is the best course of action to realise the full value of Gum Creek. Further details of the proposed IPO structure and timetable will be released in due course.

Corporate

Entitlement Offer

The fully underwritten one for three pro-rata renounceable Entitlement Offer at \$0.10 per share to raise \$10.7 million (before costs) in April 2016 was **strongly supported by existing shareholders**. The Company received valid applications to subscribe for 83.35 million new Shares from eligible shareholders, which represented approximately 78% of the 107.14 million Shares available under the Offer.

The Company is delighted that major shareholder, Zeta Resources Limited (Zeta), was prepared to underwrite a major portion of the Offer and thank Zeta for its ongoing support. As a result of the relatively small shortfall, Zeta now holds 24.7% of the Company's issued capital.

Workforce

Regrettably, the decision to move onto care and maintenance at Savannah and Lanfranchi has resulted in a significant percentage of the workforce being made redundant since August 2015. The Company would like to thank all Panoramic employees for their commitment and dedication, especially those that have recently been made redundant at Savannah. The teams at Savannah, Lanfranchi and in Perth have made an enormous contribution to the success of the Company since mining commenced at Savannah in 2003.

Strategy

The Company has a significant resource base in nickel, copper, cobalt, gold, platinum and palladium across five projects. In addition the Company's balance sheet has been strengthened by the recent Entitlement Offer. The Company's primary purpose for existing has always been to mine resources profitably and return value to shareholders through capital growth and dividends. Our strategy with each asset is as follows:

Nickel

- Continue to explore and grow the Savannah North Resource
- Complete studies on enhancing the margins from Savannah ore so that when nickel prices recover we can restart the operations with a longer life and lower cost base
- Review existing Resources and Reserves and consider options to unlock further value from the Lanfranchi asset

Gold

- Unlock the value of Gum Creek via a trade sale or an IPO

PGMS

- Continue metallurgical testwork and evaluation studies on Panton to enhance the value of the Project
- Add value through additional exploration at Thunder Bay via the JV with Rio

Business Development

- Continue to utilise our industry contacts to identify and study opportunities to acquire development or operating assets that will complement our existing portfolio and can add shareholder value

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 and Savannah Project were placed onto care and maintenance in November 2015 and May 2016 respectively.

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 Gold 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 27 May 2016, Panoramic had \$28.5 million in cash and receivables 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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Appendix 1

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

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept (Ni)	Cu (%)	Co (%)
KUD1550A	395884.5	8082592.1	1449.9	-70.7	292.2	816.70	392.00	397.00	5.00m @ 0.68 %	0.86	0.04
							438.87	441.12	2.25m @ 1.81 %	0.92	0.13
							453.60	460.50	6.90m @ 1.29 %	0.53	0.10
							465.10	467.20	2.10m @ 2.22 %	0.48	0.18
							470.00	473.80	3.80m @ 1.93 %	0.62	0.15
							490.50	492.80	2.30m @ 2.18 %	0.69	0.18
							810.00	813.80	3.80m @ 0.87 %	0.99	0.05
KUD1573	395885.5	8082589.8	1450.4	-37.1	111.9	304.30	273.00	290.15	17.15m @ 2.16 %	0.91	0.16
KUD1574	395885.1	8082589.5	1450.8	-29.3	124.5	350.00	268.50	280.70	12.20m @ 1.99 %	0.66	0.15
KUD1575	395885.4	8082588.9	1450.9	-18.2	129.6	294.70	252.10	254.00	1.90m @ 0.50 %	0.54	0.04
							273.70	286.70	13.00m @ 2.09 %	1.14	0.16
KUD1576	395885.4	8082589.8	1451.3	-10.8	111.5	385.90	339.50	356.95	17.45m @ 2.47 %	1.31	0.16
							362.95	367.90	4.95m @ 2.29 %	0.67	0.15
KUD1577	395862.2	8082573.1	1449.4	-53.7	271.7	548.70			NSR		
KUD1578	395862.0	8082572.4	1449.3	-47.8	252.7	509.70	435.00	436.00	1.00m @ 0.65 %	0.14	0.05
							444.70	455.30	10.60m @ 1.00%	0.81	0.06
							485.50	486.60	1.10m @ 1.46 %	0.59	0.08
KUD1579	395885.4	8082588.7	1451.3	-8.6	132.3	327.30	302.80	312.60	9.80m @ 1.33 %	0.34	0.09
KUD1580	395885.6	8082590.9	1450.4	-45.7	83.9	381.30	321.90	325.28	3.38m @ 0.72 %	0.22	0.05
KUD1581	395885.5	8082589.5	1451.5	-4.7	118.1	386.40	358.55	361.60	3.05m @ 1.51 %	0.35	0.10
							363.85	370.90	7.05m @ 1.56 %	0.30	0.11
KUD1582	395885.5	8082590.0	1451.2	-16.9	105.4	347.70	331.80	334.25	2.45m @ 1.74 %	0.59	0.12
KUD1583	395885.5	8082589.9	1451.5	-5.6	107.5	518.60	363.40	376.50	13.10m @ 2.43 %	0.55	0.18
							395.00	397.00	2.00m @ 0.76 %	0.18	0.04
							431.75	435.00	3.25m @ 0.92 %	1.11	0.06
							444.00	445.00	1.00m @ 0.52 %	0.11	0.04
							485.00	488.10	3.10m @ 1.18 %	0.58	0.08
KUD1584	395885.4	8082589.2	1451.8	1.9	122.4	447.20	416.40	424.00	7.60m @ 2.49 %	0.17	0.17
KUD1585	395861.8	8082572.2	1449.6	-41.9	249.6	523.90	436.85	438.35	1.50m @ 1.95 %	0.62	0.10
							471.00	483.00	12.00m @ 0.91 %	0.35	0.05
							485.20	494.70	9.50m @ 1.45 %	0.37	0.07
KUD1586	395862.7	8082573.8	1449.4	-75.5	290.0	620.70	390.90	395.50	4.60m @ 0.88 %	2.69	0.09
							413.10	415.90	2.80m @ 1.50 %	0.43	0.13
KUD1587	395885.5	8082589.5	1451.6	-2.5	114.7	454.05	394.40	398.85	4.45m @ 1.45 %	0.91	0.10
							406.45	407.60	1.15m @ 2.64 %	0.28	0.18
							414.00	419.00	5.00m @ 0.74 %	0.24	0.06
							431.50	435.05	3.55m @ 2.19 %	0.28	0.16
							450.00	451.00	1.00m @ 0.50 %	3.60	0.04
KUD1588	395885.3	8082588.4	1451.7	1.0	137.5	343.40	317.00	318.00	1.00m @ 0.62 %	0.28	0.02
KUD1589	395885.4	8082589.4	1452.0	7.5	115.0	631.90			NSR		
KUD1591	395863.1	8082574.8	1449.3	-63.0	320.0	815.80	512.00	516.60	4.60m @ 2.08 %	0.28	0.15
							786.20	799.65	13.45m @ 2.06 %	1.07	0.12
KUD1592	395885.5	8082589.0	1451.4	-10.4	104.5	426.20	335.45	336.00	2.10m @ 1.27 %	0.27	0.08
							345.80	348.00	2.20m @ 0.71 %	0.40	0.04
							368.70	371.30	2.60m @ 2.73 %	0.79	0.18
							400.85	408.95	8.10m @ 1.78 %	0.50	0.11

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
- NSR – no significant result; NS – no sample

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. About the mine the drillhole spacing is a nominal 25x25m grid spacing over the extent of the mineralisation. 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". 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.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> A mix of LTK60 and NQ2 sized diamond drilling has been used to obtain >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.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. Logging of diamond core RC samples recorded lithology, colour, mineralisation, structural (DDH only) and other features. Core was photographed wet. All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Analytical core samples included a mix of full and sawn half core samples. All samples from core All core sampling and sample preparation followed industry best practice. 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. Original versus duplicate assay results have always shown strong correlation due to massive sulphide rich nature of the orebody. Sample sizes are considered appropriate to represent the Savannah style of mineralisation.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. 	<ul style="list-style-type: none"> The Savannah Nickel Mine (SNM) standard analytical 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). No other analytical tools or techniques are employed. 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drilling and sampling procedures at the SNM have been inspected by many stakeholders since the project began. Throughout the life of the mine, there have been several instances where holes have been twinned, confirming intersections and continuity. 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. No adjustments have been made to assay data.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 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: +808000N Topographic control is of a high quality and is adequate for the resource estimation process
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Nominal drill hole spacing of 25m (easting) by 25m (RL) The mineralised 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. No orientation sampling bias has been identified.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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 Project - Table 1, Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. The SNM is an operating mine with all statutory approvals and licences

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	<p>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.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Since commissioning in 2004, SNM has conducted all recent exploration on the mine tenements.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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.
Drill hole Information	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 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. 	<ul style="list-style-type: none"> 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 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 All core is orientated and photographed prior to cutting and sampling All intersection intervals are reported as down-hole lengths and not true widths All assays are typically performed on the Savannah onsite laboratory, otherwise by SGS Laboratories in Perth
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Weighted averages were calculated using parameters of 0.5% Ni lower cut-off, minimum reporting length of 1m and maximum internal waste of 7m. Cu and Co grades were determined by the defined Ni grade interval, ie they are not calculated independently. For all Savannah North Maiden Resource drill hole intercepts the process is essentially the same except the individual sample SG values are also incorporated in to the weighting calculation.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> The geometry of the mineralisation reported herein with respect to the drill holes being reported has not been established. All intersection lengths reported in this accompanying release are down-hole lengths and not true widths.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other exploration data is considered material to this release at this stage.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.