

Corporate Strategy and positive gold results

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 in April 2016. The Company's primary goal is to mine its Resources profitably and return value to shareholders through capital growth and dividends. The current strategy on each asset is as follows:

Nickel

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

Gold

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

PGMS

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

Business Development

- Work with 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
- Primary focus is on assets in Australia

Nickel

Savannah

The asset is on care and maintenance with the last shipment of concentrate due to depart Wyndham in late June/early July.

Activities during the care and maintenance period include:

- complete the Feasibility Study on the combined Savannah and Savannah North Project;
- grow the Resource base by undertaking additional exploration, aimed at defining the strike and width dimensions of Savannah North (underway);
- study the technical and economic options of producing a higher nickel grade bulk concentrate, separate nickel and copper concentrates, and/or a nickel/copper/cobalt matte;
- identify the optimum mining and milling rates, recognising the existing mill has the capacity to treat 1.0-1.1Mtpa; and
- identify capital and operating systems and processes that will enhance productivity and reduce unit costs.

Once these work streams are completed, the Company will release the Feasibility Study results which will include guidance as to the long term A\$ nickel price required to restart Savannah. As previously stated, the remaining Mining Inventory at Savannah is readily accessible with little capital development required. With a nickel price that supports the Savannah project, the free cashflow generated from mining and processing of the remaining Savannah material will underpin the development of Savannah North, reducing new project capital demand.

Gold – Gum Creek

General

The key attributes of the Gum Creek Project include:

- Large tenement package of approximately 800km² on the Gum Creek Greenstone Belt;
- Significant infrastructure in place (accommodation village, airstrip, tailings dam, roads);
- Granted mining leases and many approvals in place;
- Resources approximately 1.27Moz of gold;
- Historic production of approximately 1Moz;
- Positive Free Milling Scoping Study released in March 2016;
- Recent metallurgical testwork has identified additional technically viable process routes for treating refractory ore;
- Recent IP surveys have identified multiple drill ready exploration targets;
- Further studies ongoing with the aim of enhancing project economics ; and
- Baseline Environmental Studies substantially completed.

Given the current gold price and the key attributes of the Project, the Company believes that Gum Creek is significantly undervalued inside Panoramic relative to peer gold companies. The current strong interest in gold equities presents an opportunity for Panoramic to realise value through a trade sale or an IPO.

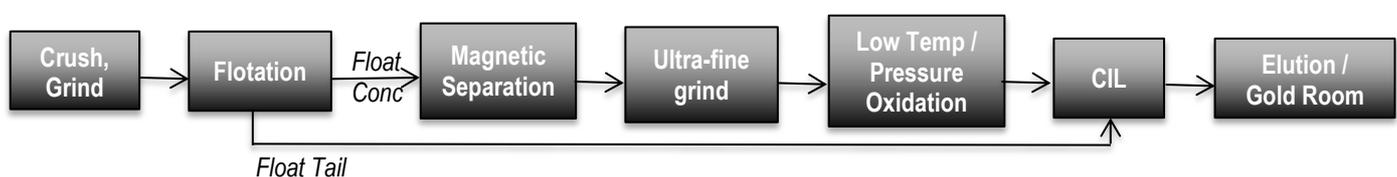
March 2016 Scoping Study

An updated Scoping Study of the Gum Creek Gold Project based on processing free milling open-pit Resources was released in March 2016 (refer to the Company's ASX announcements of 18 March 2016 and 22 March 2016). Studies on free milling material are currently focusing on reducing the processing operating and capital costs through optimisation of the mining schedules and updated pricing.

Further options for treating Gum Creek Refractory Ore¹

In June 2016, metallurgical testwork of Wilsons mineralisation identified a potential processing route utilising mild conditions to oxidise flotation concentrate to achieving high gold recoveries. The process consists of producing a flotation concentrate and low intensity magnetic separation to produce a gold concentrate. This concentrate is then finely ground and pre-conditioned under acidic conditions at moderate temperature prior to Carbon in Leach (CIL). The test of the pre-condition process was undertaken for two hours at a temperature of less than 100C and at a pressure of approximately 1,000kPa. The overall metallurgical recovery using site water was approximately 87-90%.

Conceptual Flow Sheet based on Recent Metallurgical Testwork



¹ **Note** - The test results referred to above are based on limited laboratory work and are considered a low-level technical assessment. There has been no economic assessment completed utilising this flow sheet and there is no certainty that the processing route will be used.

In comparison with the previously considered BIOX method, this process has the potential to:

- reduce operating risk due to the nature of the oxidation process; and
- reduce operating and capital costs due to the small volume of concentrate produced, combined with a relatively fast process time requiring smaller equipment sizes.

A number of areas for optimisation have been identified which will be the focus of future testwork.

The results of the testwork are considered significant as the Gum Creek Project contains approximately 550koz of refractory Resources and numerous refractory exploration targets. The Gum Creek refractory Resources are outlined below and the detailed Gum Creek Resources as at 30 June 2015 are contained in Table 1 on page 6:

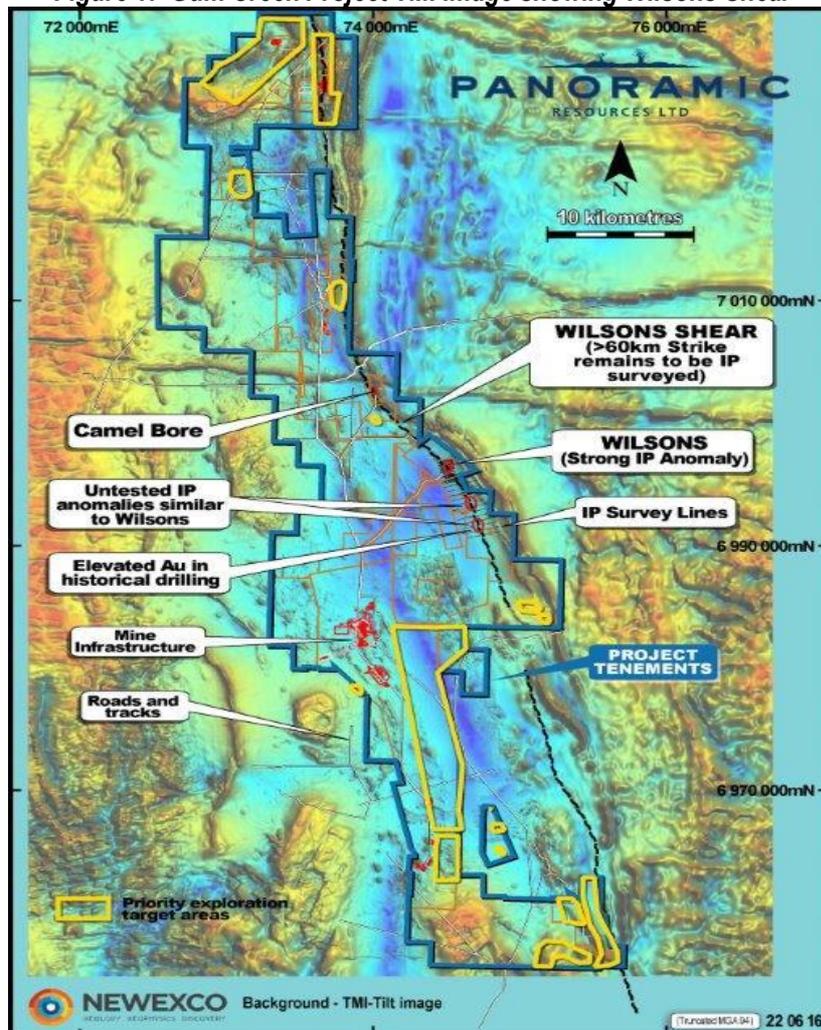
- **Wilsons** - 2.3Mt at 5.37g/t Au for 391,500ozAu
- **Heron South** - 1.1Mt at 2.20g/t Au for 80,300ozAu
- **Shiraz** - 2.9Mt at 0.83g/t Au for 77,600ozAu
- **Total** - 549,400oz Au

Recent Exploration Results

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

As part of this work, **fourteen high priority regional targets have been identified for follow-up exploration.** In addition, the Wilson Shear, which is the host structure for several gold deposits including Wilsons, has been more accurately defined. Four of the fourteen regional high priority targets are associated with the Wilsons Shear (*Figures 1 and 2*).

Figure 1: Gum Creek Project TMI image showing Wilsons Shear



An Induced Polarisation (IP) test survey has been completed over the Wilsons deposit. The survey shows a clear chargeable source coincident with the known Wilsons mineralisation and demonstrates the viability of using modern IP techniques as a tool to explore for similar mineralisation along the Wilsons Shear. Inversion modelling of the Wilsons IP test data also suggests the Wilsons mineralisation continues down plunge to the west beyond the current depth of drilling and existing Resource.

In addition, IP surveying for across the host shear for a distance of 6km to the south of Wilsons **has identified two discrete IP chargeable anomalies similar the one identified by the test survey at Wilsons** (Figure 3). The source of the two chargeable anomalies identified to the south of Wilsons is unknown and therefore justify further exploration. **Only an estimated ten percent of the Wilsons Shear within the Gum Creek Project area has been tested using modern IP techniques.**

Figure 2: Gum Creek Project gravity image over Landsat showing Wilson Shear

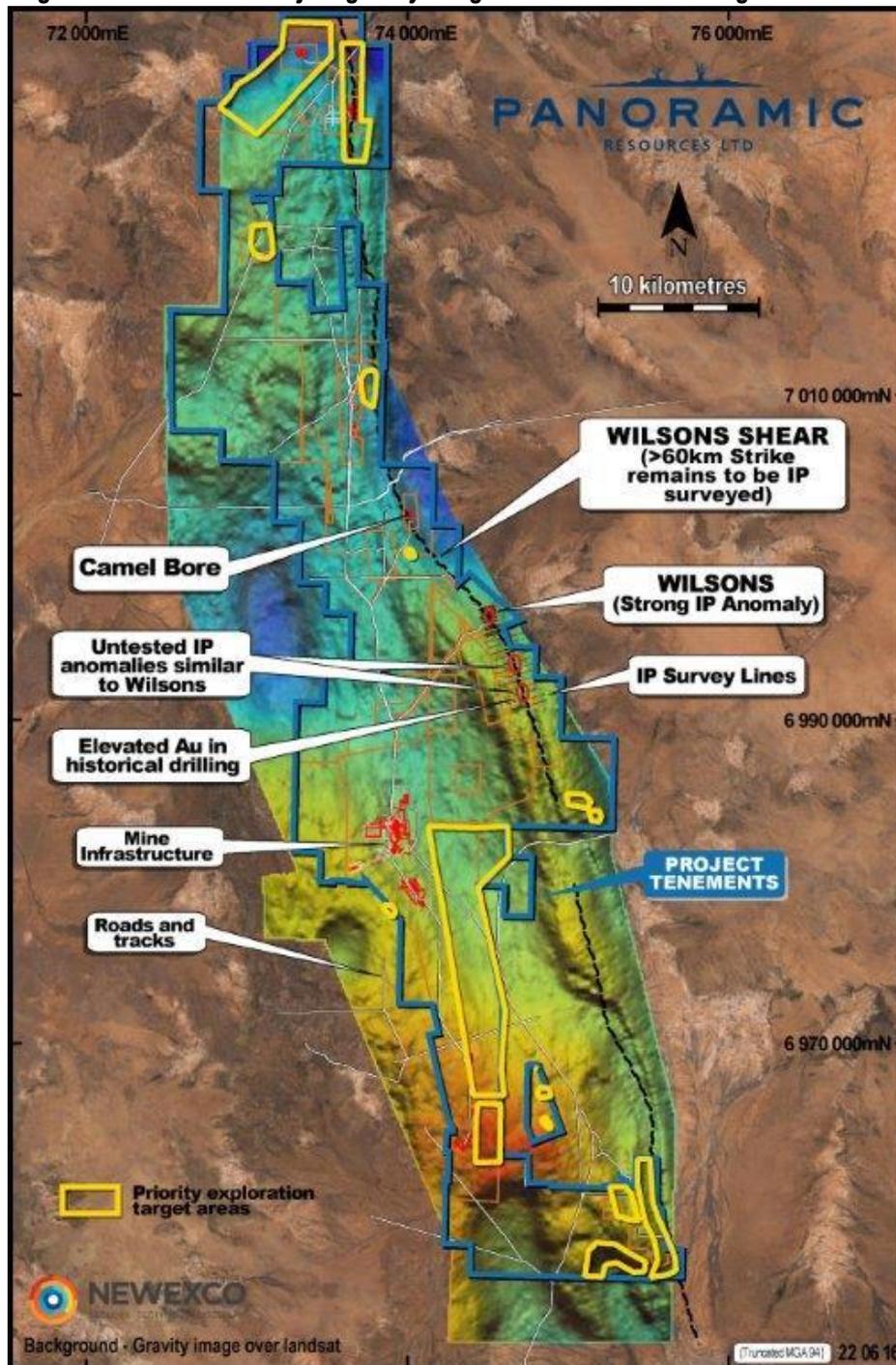
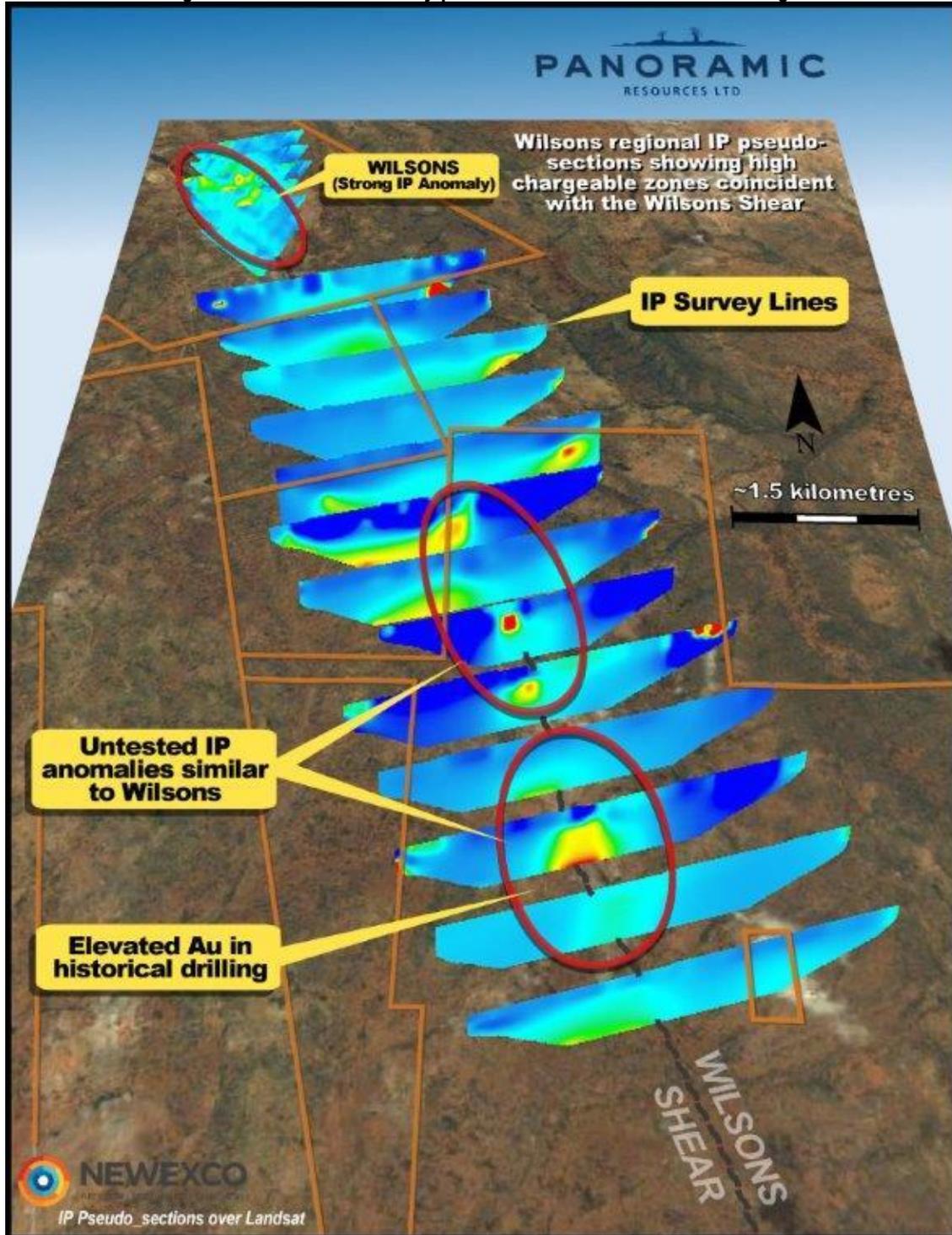


Figure 3: Wilsons IP survey pseudo-sections over Landsat image



Way Forward

As a result 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 approach to realise the full value of Gum Creek. Further details of the proposed IPO structure and timetable will be released in due course.

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% 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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Table 1: Gum Creek Mineral Resources as at 30 June 2015

Resource	Resource Type	Indicated		Inferred		Total		Metal (Au oz)
		Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
Open Pit Resources								
Swan OC	Free Milling	2,250,000	2.57	990,000	2.36	3,240,000	2.51	261,100
Heron South	Refractory	1,000,000	2.31	136,000	1.41	1,136,000	2.20	80,300
Howards	Free Milling	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
Specimen Well	Free Milling	289,000	2.06	72,000	1.79	361,000	2.00	23,200
Toedter	Free Milling	-	-	661,000	1.62	661,000	1.62	34,400
Eagles Peak	Free Milling	13,000	3.46	-	-	13,000	3.46	1,400
Orion	Free Milling	22,000	3.04	-	-	22,000	3.04	2,200
Deep South	Free Milling	20,000	3.02	-	-	20,000	3.02	1,900
Shiraz	Refractory	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
Underground Resources								
Swan UG	Free Milling	207,000	8.71	77,000	11.25	284,000	9.40	85,800
Swift UG	Free Milling	-	-	46,000	10.25	46,000	10.25	15,200
Omega UG	Free Milling	31,000	9.20	-	-	31,000	9.20	9,200
Kingfisher UG	Free Milling	390,000	6.80	-	-	390,000	6.80	85,300
Wilsons UG	Refractory	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
Total (Equity)		14,084,000	2.32	3,274,000	2.12	17,358,000	2.28	1,273,100

Notes:

■ Swan OC resource cutoff grade is 0.7 g/t. The resources (both Indicated and Inferred categories) have been partially diluted over a minimum mining width of 2.5m and confined to a A\$2,000 Whittle pit shell ■ Eagles Peak Resource cutoff grade is 1.2 g/t ■ Orion Resource cutoff grade is 1.3 g/t ■ Deep South Resource cutoff grade is 1.2 g/t ■ Swan UG Resource cutoff grade is 4.0 g/t for Indicated resource wireframes near historic workings and 6.0 g/t for Inferred resource wireframes away from historic workings. In transitioning the Swan UG resource from JORC2004 to 2012 in 2015 the Inferred resource cut-off grade has gone from 5.0 to 6.0 g/t Au. The resource is based on an approximate 2.5m minimum vertical mining width. ■ Swift UG Resource cutoff grade is 6.0 g/t. In transitioning the Swift UG resource from JORC2004 to 2012 in 2015 the Inferred resource cut-off grade has gone from 5.0 to 6.0g/t Au ■ Omega UG Resource cutoff grade is 3.0 g/t ■ Kingfisher UG Resource cutoff grade is 3.0 g/t

The information in this release that relates to the Swan OC, Eagles Peak, Orion, Deep South, Swan UG, Swift UG, Omega, and Kingfisher Mineral Resources is based on information compiled by or reviewed by Dr Spero Carras (FAusIMM). Dr Carras is the Executive Director of Carras Mining Pty Ltd and was acting as a consultant to Legend Mining Ltd in 2006 and Panoramic Resources Ltd in 2012. Dr Carras has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Carras consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

■ Heron South resource cutoff grade is 0.5 g/t ■ Howards resource cutoff grade is 0.5 g/t ■ Specimen Well resource cutoff grade is 0.5 g/t ■ Toedter resource cutoff grade is 0.5 g/t ■ Wilsons resource cutoff grade is 2.0 g/t

For further details on the Gum Creek Minerals Resources, refer to the Company's Mineral Resource and Ore Reserve Statements at 30 June 2015, released in the Company's ASX announcement of 30 September 2015.