

10 October 2019

## SAVANNAH NORTH DRILLING AND DEVELOPMENT UPDATE

Panoramic Resources Limited (“Panoramic” or the “Company”) is pleased to provide this operational update on infill drilling activities, currently in progress on the Savannah North orebody.

### Highlights

Infill grade control/stope definition drilling at Savannah North has returned several significant, better than expected, drill intercepts including:

- **15.10m @ 2.36% Ni, 0.80% Cu and 0.16% Co from 192.3m (KUD1601);**
- **17.90m @ 2.09% Ni, 0.65% Cu and 0.13% Co from 237.3m (KUD1602);**
- **12.10m @ 1.62% Ni, 0.75% Cu and 0.12% Co from 154.6m (KUD1624);**
- **11.20m @ 1.90% Ni, 0.86% Cu and 0.14% Co from 149.5m (KUD1625);**
- **9.35m @ 2.09% Ni, 0.58% Cu and 0.15% Co from 168.8m (KUD1633); and**
- **13.10m @ 1.81% Ni, 0.77% Cu and 0.13% Co from 185.9m (KUD1634).**

Drilling is ongoing with two underground drill rigs.

Access development across to the Savannah North orebody remains on track, with first development ore scheduled from November 2019 and first stoping ore being mined early in the March 2020 quarter.

### Details

As part of the Savannah Project “Re-start Plan”, the Company extended the Savannah North 1570 Drill Drive 150m to the east to facilitate infill grade control and stope definition drilling of the Savannah North orebody (*Figure 1*). The extended drill drive was completed in June 2019, with the first hole collared from the drive on 24 June 2019. Drilling from the extended drive was initially conducted on a one drill rig basis and then with two drill rigs from the beginning of September.

The Savannah North infill drill program has three main aims:

- Provide greater geological and grade detail in the area between 1350mRL and 1390mRL, covering the first three Savannah North production levels at 1340mRL, 1360mRL and 1380mRL. This phase of the infill drill program is now complete;
- Complete an initial drill test of the sparsely drilled area of the orebody above the planned production level at 1380mRL. A total of six holes have been completed in this area to date; and
- Conduct an initial drill test in the vicinity of the Fault Zone and to the east of this zone where the current drill density is insufficient to convert the existing Inferred Mineral Resources in these areas to Ore Reserves. To date, four holes have been completed in this area.

### Directors

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CFO / Company Secretary

To the end of September 2019, a total of 44 holes had been drilled from the extended 1570 Drill drive for a combined total of 8,555 drill metres.

Table 1 in Appendix 1 contains details of all 44 drilled holes with their respective assay results. All reported assay results in Table 1 are based on sample length by specific gravity (SG) and by grade weighted averages using a 0.5% Ni lower cut-off grade and a minimum reporting length of 1m and a maximum 2m of consecutive internal waste. Appendix 2 contains the appropriate JORC Code (2012 Edition) Disclosure Tables for this announcement.

## Results

Infill geological grade control drilling covering the first three proposed Savannah North production levels is now complete. This area is part of the Savannah North orebody Upper Zone which has a reported Mineral Resource grade of 1.53% Ni. Significant drill intercepts from this initial infill drill program include:

- **2.30m @ 2.37% Ni, 0.39% Cu and 0.17% Co from 154.6m (KUD1601);**
- **6.35m @ 1.58% Ni, 0.37% Cu and 0.11% Co from 153.0m (KUD1609);**
- **3.31m @ 2.25% Ni, 0.51% Cu and 0.16% Co from 153.7m (KUD1612);**
- **5.55m @ 2.01% Ni, 0.38% Cu and 0.14% Co from 155.9m (KUD1613);**
- **12.10m @ 1.62% Ni, 0.75% Cu and 0.12% Co from 154.6m (KUD1624);**
- **11.20m @ 1.90% Ni, 0.86% Cu and 0.14% Co from 149.5m (KUD1625);**
- **4.40m @ 2.32% Ni, 0.92% Cu and 0.17% Co from 149.4m (KUD1626);**
- **5.50m @ 2.27% Ni, 0.78% Cu and 0.17% Co from 160.3m (KUD1628);**
- **10.8m @ 1.72% Ni, 0.77% Cu and 0.12% Co from 166.0m (KUD1629);**
- **7.80m @ 1.80% Ni, 0.35% Cu and 0.13% Co from 179.0m (KUD1630);**
- **8.40m @ 2.31% Ni, 0.84% Cu and 0.17% Co from 166.0m (KUD1631);**
- **13.30m @ 1.45% Ni, 0.53% Cu and 0.11% Co from 156.0m (KUD1632);**
- **9.35m @ 2.09% Ni, 0.58% Cu and 0.15% Co from 168.8m (KUD1633);**
- **13.10m @ 1.81% Ni, 0.77% Cu and 0.13% Co from 185.9m (KUD1634); and**
- **3.00m @ 2.58% Ni, 0.70% Cu and 0.19% Co from 157.4m (KUD1635).**

All drill intercept lengths for this phase of the infill drill program are effectively True Widths. The drill results are in keeping with the expected outcome based on the results of the October 2017 Updated Savannah Feasibility Study (*refer to Company's ASX announcement of 27 October 2017*). Mine plans and stope designs based on this latest drill information are currently being prepared, with the first Savannah North development and stoping ore on schedule to commence from this area in November 2019 and the March 2020 quarter, respectively.

For the sparsely drilled area above the proposed Savannah North 1380m RL production level, a total of six new holes have been completed (*Figure 1*). In terms of the historical drill results for this area, the two best results were 9.8m at 1.33% Ni in KUD1579 and 7.6m @ 2.49% Ni in KUD1584. Four of the six new infill holes returned the following, better than expected, drill results:

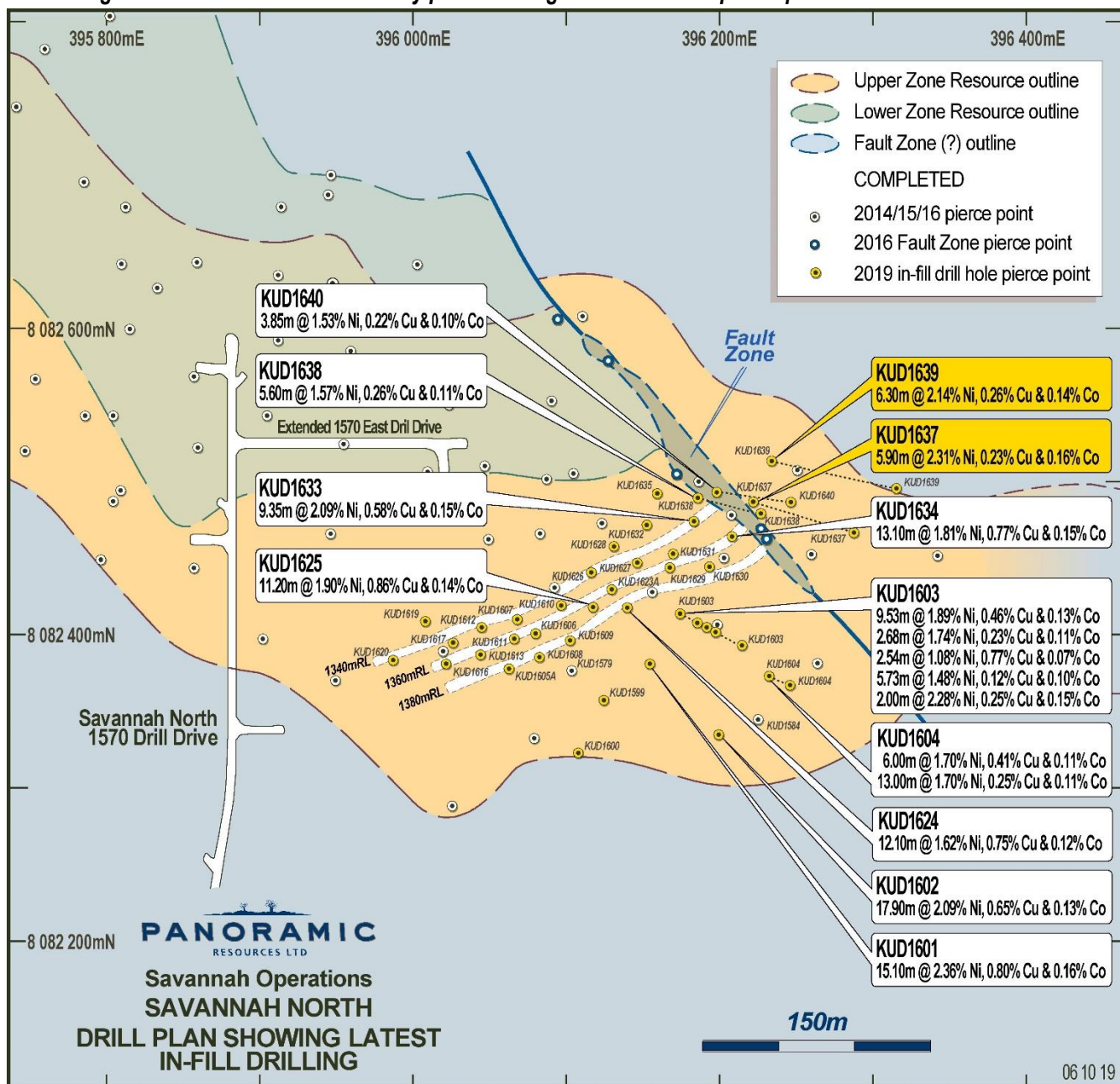
- **15.10m @ 2.36% Ni, 0.80% Cu and 0.16% Co from 192.3m (KUD1601);**
- **17.90m @ 2.09% Ni, 0.65% Cu and 0.13% Co from 237.3m (KUD1602);**
- **9.53m @ 1.89% Ni, 0.46% Cu and 0.13% Co from 165.9m (KUD1603);**
- **2.68m @ 1.74% Ni, 0.23% Cu and 0.11% Co from 189.0m (KUD1603);**
- **2.54m @ 1.08% Ni, 0.77% Cu and 0.07% Co from 194.2m (KUD1603);**
- **5.73m @ 1.48% Ni, 0.12% Cu and 0.10% Co from 199.4m (KUD1603);**
- **2.00m @ 2.28% Ni, 0.25% Cu and 0.15% Co from 212.7m (KUD1603);**
- **6.00m @ 1.70% Ni, 0.41% Cu and 0.10% Co from 247.0m (KUD1604); and**
- **13.00m @ 1.70% Ni, 0.25% Cu and 0.11% Co from 256.50m (KUD1604).**

The estimated True Width for all the intercepts in this area (including the historical holes) varies between 70-85% of the intercept length. Drilling is ongoing in this area.

Drill results have also been received for four of six holes that were drilled from the 1570 Drill Drive, eastwards towards the Fault Zone (Figure 1) and beyond. The drill results have shed new information on this area as well as returning several significant intercepts, including:

- **5.90m @ 2.31% Ni, 0.23% Cu and 0.16% Co from 190.7m (KUD1637);**
- **1.70m @ 0.86% Ni, 1.85% Cu and 0.06% Co from 207.4m (KUD1637);**
- **5.60m @ 1.57% Ni, 0.26% Cu and 0.11% Co from 163.0m (KUD1638);**
- **2.30m @ 2.00% Ni, 0.54% Cu and 0.14% Co from 211.8m (KUD1638);**
- **6.30m @ 2.14% Ni, 0.26% Cu and 0.14% Co from 201.7m (KUD1639);**
- **1.80m @ 1.27% Ni, 0.19% Cu and 0.07% Co from 288.3m (KUD1639);**
- **3.85m @ 1.53% Ni, 0.22% Cu and 0.10% Co from 175.0m (KUD1640); and**
- **6.20m @ 0.75% Ni, 0.22% Cu and 0.05% Co from 230.7m (KUD1640).**

**Figure 1 – Savannah North orebody plan showing recent drill hole pierce points**





**None of the reported intercepts in the area of the Fault Zone fall within the current Savannah North Ore Reserve and mine design.**

Poor drill angles and increased geological variability in this area preclude the estimation of True Widths for the intercepts at this stage. Where two intercepts are reported in the same hole, the first mentioned intercept relates to mineralisation that is either caught-up in the Fault Zone or, like the intercepts located to the west of the Fault Zone, is primary in-situ mineralisation that has formed at the base of the Savannah North intrusion. The second reported intercept relates to thin zones of remobilised mineralisation associated with the inter-reaction between the 500 Fault and Turkey Creek Gabbro located below the base of the Savannah North intrusion in this area. The poor drill angles between this area east of the fault and the extended 1570 drill drive make testing the mineralised overlying base of the Savannah North intrusion in this area difficult. Further drill testing of this area will be undertaken once development higher in the Savannah North mine (at the 1460mRL or 1480mRL) is completed.

Preliminary interpretation and modeling of the new drill intercepts about the Fault Zone, however, indicate that the intercepts of **5.60m @ 1.57% Ni in KUD1638 and 3.85m @ 1.53% Ni in KUD1640**, which have intercept RLs of approximately 1388mRL, reflect mineralisation caught-up in the Fault Zone. Whereas, more importantly, the drill intercept of **5.90m @ 2.31% Ni in KUD1637 and 6.30m @ 2.14% Ni in KUD1639**, which have intercept RLs of approximately 1405mRL, reflect in-situ mineralisation developed at the base of the Savannah North intrusion east of the Fault Zone. **These two results are significant, in that they indicate, that the Savannah North Upper Zone mineralisation continues strongly east of the Fault Zone in this area.**

Results for two additional completed drill holes in this area are still pending. No further drilling into the area is planned at this stage until better drill positions higher are developed in the mine.

Infill drilling is now proceeding above and below the proposed 1380mRL and 1340mRL Savannah North production levels. Further updates will be reported in due course.

## Competent Person's Statement

The information in this release that relates to drill 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.

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.

## 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 and Savannah Projects were placed on care and maintenance in November 2015 and May 2016 respectively pending a sustained recovery in the nickel price.

After delivering an updated feasibility study on the Savannah Project in October 2017, securing an offtake customer and putting in place project financing in July 2018, the Company made the decision to restart operations at Savannah with first concentrate shipped from Wyndham on 13 February 2019. The Lanfranchi Project was sold in December 2018 for a total cash consideration of \$15.1 million, providing additional financial support for the re-commissioning of the Savannah Project.

Apart from the nickel, copper and cobalt inventory at Savannah the Company has a diversified resource base including platinum group metals (PGM) and gold. 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, which is in the process of being sold to Benton Resources for C\$9 million. Following the ASX listing of Horizon Gold Limited (ASX Code: HRN) in December 2016, the Company's interest in gold is an indirect investment in the Gum Creek Gold Project located near Wiluna through its 51% shareholding in Horizon.

At 30 June 2019, Panoramic had \$26.6 million in available and restricted cash. The Company has a \$20 million project financing facility with Macquarie Bank.

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## Appendix 1

**Table 1 – Savannah North infill grade control drill locations and assay results**

Hole	East	North	RL	Azi.	Dip	EOH	From	To	Ni Intercept / (%)	Cu (%)	Co (%)	SG
KUD1599	396023.7	8082504.0	-540.8	144.0	-2.7	199.90	169.00	171.00	2.00m @ 0.70 %	0.15	0.04	3.10
							177.75	179.90	2.15m @ 1.42 %	0.28	0.09	3.38
KUD1600	396023.7	8082504.1	-540.4	155.0	8.2	245.80	200.00	201.40	1.40m @ 0.57 %	0.18	0.03	2.98
KUD1601	396024.3	8082504.2	-540.8	135.1	-2.6	226.50	179.00	180.40	1.40m @ 0.69 %	2.38	0.05	3.23
							192.30	207.40	15.10m @ 2.36 %	0.80	0.16	4.12
KUD1602	396024.4	8082504.3	-540.6	131.0	6.1	293.70	190.00	194.40	4.40m @ 1.71 %	0.37	0.14	3.72
							234.00	235.00	1.00m @ 0.52 %	0.53	0.03	3.10
							237.50	255.40	17.90m @ 2.09 %	0.65	0.13	3.77
KUD1603	396025.4	8082505.1	-541.4	123.2	-2.2	239.90	165.90	175.43	9.53m @ 1.89 %	0.46	0.13	3.98
							189.08	191.76	2.68m @ 1.74 %	0.23	0.11	3.67
							194.20	196.74	2.54m @ 1.08 %	0.77	0.07	3.37
							199.42	205.15	5.73m @ 1.48 %	0.12	0.10	3.57
							212.71	214.71	2.00m @ 2.28 %	0.25	0.15	3.87
KUD1604	396025.5	8082504.8	-541.0	124.2	5.7	302.60	189.00	196.00	7.00m @ 0.80 %	0.27	0.06	3.58
							203.00	204.00	1.00m @ 0.90 %	0.12	0.06	3.63
							223.20	224.85	1.65m @ 1.34 %	0.09	0.09	3.67
							247.00	253.00	6.00m @ 1.70 %	0.41	0.11	3.67
							256.50	269.50	13.00m @ 1.70 %	0.25	0.11	3.53
							272.00	273.10	1.10m @ 1.23%	0.46	0.08	3.39
KUD1605	396035.8	8082519.8	-541.4	180.0	-25.0	24.10			abandoned			
KUD1605A	396035.3	8082519.8	-541.4	167.6	-25.0	182.90	158.80	161.64	2.84m @ 1.43 %	0.23	0.10	3.55
KUD1606	396036.1	8082519.9	-541.6	158.7	-33.9	168.90	152.50	154.80	2.30m @ 2.37 %	0.39	0.17	4.20
KUD1607	396036.0	8082519.8	-541.4	162.2	-43.0	175.00	153.70	155.00	1.30m @ 1.25 %	0.34	0.09	3.49
KUD1608	396035.9	8082519.9	-541.9	158.8	-25.1	177.00	157.70	160.20	2.50m @ 1.14 %	0.32	0.08	3.41
KUD1609	396036.4	8082519.9	-541.5	150.2	-24.9	175.00	153.00	159.35	6.35m @ 1.58 %	0.37	0.11	3.71
KUD1610	396036.5	8082519.9	-541.8	147.6	-32.9	171.00	140.90	146.15	5.25m @ 1.47 %	0.71	0.11	3.65
							148.20	151.25	3.05m @ 2.20 %	0.95	0.16	4.16
							153.70	157.10	3.40m @ 1.22 %	0.40	0.09	3.52
KUD1611	396035.8	8082519.8	-541.8	164.0	-34.5	164.90	68.00	70.00	2.00m @ 0.50 %	0.13	0.03	3.21
							151.00	154.70	3.70m @ 2.19 %	0.51	0.16	4.00
KUD1612	396035.9	8082519.8	-541.9	174.6	-41.4	174.00	142.74	144.60	1.86m @ 1.35 %	0.35	0.09	3.40
							153.66	156.97	3.31m @ 2.25 %	0.51	0.16	4.03
KUD1613	396035.4	8082519.9	-542.1	177.3	-32.5	174.00	155.85	161.40	5.55m @ 2.01 %	0.38	0.14	3.81
KUD1614	396035.4	8082519.9	-541.4	175.5	-24.4	180.10			NSR			
KUD1615	396035.2	8082519.8	-541.4	185.7	-21.7	188.50			NSR			
KUD1616	396035.2	8082519.9	-541.7	185.5	-31.1	189.10	164.80	167.90	3.10m @ 0.57 %	0.79	0.04	3.07
KUD1617	396035.9	8082519.9	-541.9	183.1	-39.7	185.00	161.30	164.70	3.40m @ 1.64 %	0.42	0.11	3.65
KUD1618	396034.8	8082519.8	-541.7	193.9	-29.2	195.20			NSR			
KUD1619	396034.9	8082519.9	-541.8	194.0	-36.4	195.40	143.55	146.40	2.85m @ 2.37 %	0.90	0.16	4.11
							151.00	152.00	1.00m @ 0.72 %	0.27	0.04	3.56
KUD1620	396034.6	8082519.8	-541.9	201.1	-33.7	204.20	177.00	178.90	1.90m @ 0.95 %	0.15	0.06	3.11
KUD1621	395978.5	8082247.4	-503.7	259.2	-90.0	116.70			not sampled			

Hole	East	North	RL	Azi.	Dip	EOH	From	To	Ni Intercept / (%)	Cu (%)	Co (%)	SG
KUD1622	396036.9	8082519.9	-541.5	140.6	-24.7	65.50			redrill required			
KUD1623	396036.9	8082519.9	-541.9	139.5	-33.0	36.10			abandoned			
KUD1623A	396037.3	8082520.0	-542.0	131.7	-32.8	194.90	128.20	129.60	1.40m @ 2.45 %	0.69	0.19	4.41
							134.00	135.00	1.00m @ 0.52 %	0.18	0.04	3.57
							145.00	158.60	13.60m @ 1.03 %	1.26	0.07	3.41
							160.95	163.30	2.35m @ 0.64 %	0.42	0.04	3.23
KUD1624	396037.3	8082520.0	-541.6	132.5	-24.4	195.20	154.60	166.70	12.10m @ 1.62 %	0.75	0.12	3.68
KUD1625	396037.3	8082520.1	-542.1	140.5	-33.1	183.10	140.10	145.80	5.70m @ 1.39 %	0.73	0.10	3.75
							149.50	160.70	11.20m @ 1.90 %	0.86	0.14	3.70
KUD1626	396037.0	8082520.3	-542.2	132.9	-42.4	174.20	145.00	146.00	1.00m @ 0.72 %	0.64	0.05	3.26
							149.40	153.80	4.40m @ 2.32 %	0.92	0.17	4.20
KUD1627	396037.8	8082520.3	-542.1	121.4	-32.6	179.90	155.60	161.00	5.40m @ 0.58 %	2.50	0.04	3.29
KUD1628	396038.2	8082520.2	-541.7	121.1	-40.9	182.90	145.40	147.30	1.90m @ 1.51 %	0.42	0.11	3.71
							150.50	156.40	5.90m @ 1.23 %	0.37	0.09	3.29
							160.30	165.80	5.50m @ 2.27 %	0.78	0.17	4.27
KUD1629	396037.7	8082520.3	-542.3	118.1	-20.9	251.70	161.40	163.90	2.50m @ 2.03 %	0.29	0.14	3.94
							166.00	176.80	10.80m @ 1.72 %	0.77	0.12	3.74
							179.10	180.50	1.40m @ 2.31 %	0.48	0.16	4.09
KUD1630	396038.7	8082520.8	-541.4	113.0	-19.7	222.00	179.00	186.80	7.80m @ 1.80 %	0.35	0.13	3.88
							189.00	191.40	2.40m @ 1.63 %	0.90	0.11	3.75
KUD1631	396038.4	8082520.9	-541.6	117.4	-29.6	189.10	161.75	163.90	2.15m @ 1.62 %	0.24	0.11	3.74
							166.00	174.40	8.40m @ 2.31 %	0.84	0.17	4.18
KUD1632	396038.2	8082521.0	-541.8	110.5	-39.0	189.10	156.00	169.30	13.30m @ 1.45 %	0.53	0.11	3.71
KUD1633	396038.6	8082521.2	-541.5	107.5	-26.5	252.20	168.80	178.15	9.35m @ 2.09 %	0.58	0.15	4.01
							181.15	184.65	3.50m @ 1.09 %	0.29	0.07	3.24
KUD1634	396038.6	8082521.1	-541.3	107.0	-19.1	249.00	185.90	199.00	13.10m @ 1.81 %	0.77	0.13	3.81
							204.80	209.50	4.70m @ 1.53 %	0.41	0.11	3.58
KUD1635	396036.7	8082520.0	-541.7	101.2	-36.1	204.30	148.50	149.70	1.20m @ 0.79 %	0.22	0.06	3.42
							157.40	160.40	3.00m @ 2.58 %	0.70	0.19	4.39
							179.90	182.50	2.60m @ 2.10 %	0.45	0.15	3.93
KUD1636	395959.1	8082326.3	-518.8	0.0	-90.0	115.30			geotech hole			
KUD1637	396038.8	8082521.5	-541.2	98.9	-14.3	293.80	190.70	196.60	5.90m @ 2.31 %	0.23	0.16	4.07
							267.40	269.10	1.70m @ 0.86 %	1.85	0.06	3.28
KUD1638	396038.5	8082521.4	-541.5	105.4	-24.6	246.00	163.10	168.70	5.60m @ 1.57 %	0.25	0.11	3.70
							211.80	214.10	2.30m @ 2.00 %	0.54	0.14	3.79
KUD1639	396038.8	8082521.6	-541.1	94.2	-12.8	327.00	169.30	170.30	1.00m @ 1.74 %	0.25	0.10	3.67
							201.70	208.00	6.30m @ 2.14 %	0.26	0.14	3.97
							288.25	290.05	1.80m @ 1.27 %	0.19	0.07	3.22
KUD1640	396038.6	8082521.6	-541.3	101.1	-22.5	254.40	175.05	178.90	3.85m @ 1.53 %	0.22	0.10	3.61
							230.70	236.90	6.20m @ 0.75 %	0.22	0.05	3.22

NSR – no significant result

## Appendix 2

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The Savannah mine and surrounding exploration areas are typically sampled by diamond drilling techniques. Over 1600 holes have been drilled within the mine for a total in excess of 220,000m. The majority of holes were drilled from underground drill platforms.</li> <li>Within the mine the drill hole spacing is a nominal 25x25m grid spacing over the extent of the mineralisation.</li> <li>Historically, all drill hole collars were surveyed using Leica Total Station survey equipment by a registered surveyor with downhole surveys typically performed every 30 metres using either "Reflex EZ Shot" or "Flexit Smart Tools". All diamond core was 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 (on-site) or ICP OES (off-site).</li> <li>A new on-site laboratory operated by Bureau Veritas was commissioned in 2019. Sample preparation and assaying of all drill samples now involves crushing and pulverising the sample to 80% passing 75µm followed by Ni, Cu, Co, Fe, MgO and S analysis by XRF of metaborate fused glass beads. The XRF brand is a ZETIUM Pan-analytical instrument.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Greater than 90% of the mine drill hole database consists of LTK60 and NQ2 sized diamond holes. Exploration holes are typically NQ2 size. Historically, some RC holes were drilled about the upper part of the mine.</li> <li>All diamond drill holes pertaining to this announcement were drilled NQ2 size.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond core recoveries are logged and recorded in the mine drill hole database. Overall recoveries are typically &gt;99% and there are no apparent core loss issues or significant sample recovery problems.</li> <li>Hole depths are verified against core blocks.</li> <li>Regular rod counts are performed by the drill contractor. Driller breaks are checked by fitting the core together.</li> <li>There is no apparent relationship between sample recovery and grade</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All holes pertaining to this announcement were geologically logged in full.</li> <li>Geotechnical logging was carried out for recovery and RQD. The number of defects (per interval), and their roughness were recorded about ore zones.</li> <li>Details of structure type, alpha angle, infill, texture and healing is recorded and stored in the structure table of the mine drill hole database.</li> <li>Logging protocols dictate lithology, colour, mineralisation, structural (DDH only) and other features are routinely recorded.</li> <li>All diamond core was photographed wet.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> </ul>	<ul style="list-style-type: none"> <li>All analytical core samples pertaining to this announcement were sawn half (NQ2) core samples.</li> <li>Sample sizes are considered appropriate to represent the Savannah style of mineralisation.</li> <li>SG determinations by water immersion technique are performed on all core samples destined for assay at the on-site laboratory.</li> <li>All core sampling and sample preparation protocols at Savannah follow industry best practice.</li> <li>QC involved the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC is</li> </ul>

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	<ul style="list-style-type: none"> <li>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>inserted in all sample batches.</p> <ul style="list-style-type: none"> <li>Original versus duplicate assay results typically exhibit a strong correlation due to massive sulphide rich nature of the Savannah mineralisation.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>All samples analyses pertaining to this announcement were performed at the Savannah Nickel Mine on-site laboratory, which is operated by Bureau Veritas. Sample preparation and assaying of all drill samples now involves crushing and pulverising the sample to 80% passing 75µm followed by Ni, Cu, Co, Fe, MgO and S analysis by XRF of metaborate fused glass beads. The XRF brand is a ZETIUM Pan-analytical instrument.</li> <li>No other analytical tools or techniques are employed.</li> <li>The on-site laboratory uses internal standards, duplicates, replicates, blanks and repeats and carries out all appropriate sizing checks. External laboratory checks are occasionally performed. No analytical bias has been identified.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling and sampling procedures at the SNM have been inspected by many stakeholders since the project began.</li> <li>Throughout the life of the mine, there have been several instances where holes have been twinned, confirming intersections and continuity.</li> <li>Holes are logged into OCRIS software using Toughbook laptop computers before the data is transferred to SQL server databases. All drill hole and assay data is routinely validated by site personnel.</li> <li>No adjustments are made to assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All drill hole collars are picked-up using Leica TS15, R1000 instrument by a registered surveyor.</li> <li>Downhole surveys are performed using an Axis Champ North Seeking Gyro instrument.</li> <li>Visual checks to identify any obvious errors regarding the spatial position of drill hole collars or downhole surveys are routinely performed in a 3D graphics environment using Surpac software.</li> <li>The mine grid is a truncated 4-digit (MGA94) grid system.</li> <li>Conversion from local grid to MGA GDA94 Zone 52 is calculated by applying the following factors to the truncated local coords: E:+390000, N:+8080000.</li> <li>High quality topographic control has been established across the mine-site.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Nominal drill hole spacing of 25m (easting) by 25m (RL)</li> <li>The mineralised domains delineated by the drill spacing show enough continuity to support the classification applied under the JORC Code (2012 Edition).</li> <li>No sample compositing is undertaken.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Where possible drill holes are designed to be drilled perpendicular to the target area being tested.</li> <li>No orientation sampling bias has been identified.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Drill samples are collected and transported to the on-site laboratory by SNM staff. Samples sent off site are road freighted.</li> </ul>



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<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No recent audits/reviews of the Savannah drill sampling protocols have been undertaken. The procedures are considered to be of the highest industry standard. Mine to mill reconciliation records throughout the life of the Savannah Project provide confidence in the sampling procedures employed at the mine.</li> </ul>

**Savannah North Project - Table 1, Section 2 - Reporting of Exploration Results**

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Savannah Nickel Mine (SNM) is an operating mine secured by 5 contiguous Mining Licences. All tenure is current and in good standing. SNM has the right to explore for and mine all commodities within the mine tenements.</li> <li>The SNM is an operating mine with all statutory approvals and licences in place to operate. The mine has a long standing off-take agreement to mine and deliver nickel sulphide concentrate to the Jinchuan Group in China.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Since commissioning the Savannah Project in 2004, SNM has conducted all exploration and drilling related activities on the site.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The SNM is based on mining ores associated with the palaeo-proterozoic Savannah and Savannah North layered mafic/ultramafic intrusions. The Ni-Cu-Co rich massive sulphide ores typically occur as "classic" magmatic breccias developed about the more primitive, MgO rich basal parts of the intrusions.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>All in mine drilling 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: +808000. RL equals AHD + 2,000m. Additional drill hole information pertaining to this announcement includes: <ul style="list-style-type: none"> <li>All diamond drill holes were NQ2 size.</li> <li>All core is orientated and photographed prior to cutting and sampling</li> <li>All intersection intervals are reported as down-hole lengths and not true widths</li> <li>All reported assays results were performed by the on-site laboratory.</li> </ul> </li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>All analytical drill intercepts pertaining to this announcement are based on sample length by SG by grade weighted averages using a 0.5% Ni lower cut-off, a minimum reporting length of 1m and maximum 2m of consecutive internal waste.</li> <li>Cu and Co grades are determined for same Ni grade interval defined above using the same weighting procedures.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>All intersection lengths reported in this accompanying release are down-hole lengths and not true widths.</li> <li>Where reported, estimates of True Width are stated only when the geometry of the mineralisation with respect to the drill hole angle is sufficiently well established.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>A simplified plan view of drill hole intercepts positions pertaining to this announcement is deemed sufficient at this time.</li> </ul>

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<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the fact that all drill results are reported herein, the report is considered to be sufficiently balanced.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data is considered material to this release at this stage.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>The infill grade control drill results reported herein for the Savannah North Project are the initial results for an ongoing drill program. Further results will be reported if and when they become available.</li> </ul>