



3 March 2014

ASX: PAN

Savannah North Discovery – EM Survey Results

Highlights

- Down-hole EM survey of the Savannah North discovery hole (KUD1525) completed
- Interpretation of the EM survey data indicates that the KUD1525 intersection of 89.3m grading 1.60% Ni forms part of a **substantial EM conductor, consistent with a complex, highly conductive bedrock source extending from 400m down-hole to near the end of hole (EOH) at 972.7m, a distance of 570m**
- Strong support for the interpretation is also provided from the EM survey of drill hole KUD1526

Details

Panoramic Resources Limited ("Panoramic") is pleased to announce that the down-hole electromagnetic ("EM") survey of the Savannah North discovery hole, KUD1525, has been completed and the preliminary interpretation report has been received from Newexco Services Pty Ltd ("Newexco"). The Newexco report is attached as Appendix 2. As part of the EM program, drill hole KUD1526 was also surveyed (see *Figure 1 and Table 1*).

As previously reported (see ASX releases of 18, 19 and 28 February 2014), the discovery zone of mineralisation in drill hole KUD1525 was 89.3m at 1.60% Ni, 0.76% Cu and 0.12% Co from 704.9m and is interpreted to lie in a faulted off-set position north of the mine between the 900 and 500 Faults. The intersection places the mineralisation approximately 650m to the north and 300m below the depth of the current decline position.

The interpretation of the KUD1525 EM survey data indicates that the KUD1525 assay intersection is part of a substantial conductor, consistent with a complex, highly conductive bedrock source that extends from 400m down-hole to near the end of hole (EOH) at 972.7m, a distance of 570m. At approximately 400–450m down hole, the top edge of the conductor corresponds to a mine grid northing of 2250mN, which is 325m north of the 1675 Drill Cuddy. Based on the position of the 900 Fault intersected in drill hole KUD1526, the top edge on the conductor is interpreted at mine level 1300mRL. The Newexco report also notes that the very high modelled conductance (5500S) of the anomaly ensures that the source will be visible to future drilling and EM from several hundred metres away.

Support for the KUD1525 interpretation is provided by the EM survey of drill hole KUD1526, which was also EM surveyed from 20 metres to 535 metres (EOH 539.7m). Drill hole KUD1526 was also drilled to the north from the 1675 Drill Cuddy, but at a steeper dip than KUD1525 in order to intersect and position the 900 Fault. Drill hole KUD1526 did not intersect any significant mineralisation. The EM data for KUD1526 shows a broad, highly conductive (150–200 milli-second time constant) off-hole conductor located above left of the hole towards KUD1525. The data shows the off-hole conductor to be evident from 200m down-hole, passing the edge of the conductor at 350 metres down-hole and continuing to build towards the end of the survey at 538m down-hole.



The EM survey data for drill holes KUD1525 and KUD1526 is very significant and demonstrates, in conjunction with the previously reported KUD1525 intersection, the potential for a large footprint of “Savannah magmatic breccia style” Ni-Cu-Co mineralisation to be present between the 900 and 500 Fault structures north of the existing mine.

Panoramic’s Managing Director, Peter Harold, said “The EM results from drill holes KUD1525 and KUD 1526 are very exciting and suggest mineralisation could extend over a significant area. The priority now is to finish the next underground hole (drill hole KUD1527 is targeting the predicted position of the Savannah Intrusion and orebody above the 500 Fault) and then commence the surface drilling program. We had initially planned to utilise one drill rig, however with the very positive EM result we may consider mobilising a second surface rig to site.”

Table 1: Summary details of EM surveys for drill holes KUD1525 and KUD1526

Hole ID	East	North	RL	Azimuth	Dip	EM From	EM To	Length (m)	EOH (m)
KUD1525	6012.14	1923.75	1678.48	0	-41	20	970	950	972.7
KUD1526	6012.10	1923.80	1678.80	0	-55	20	538	518	539.7
KUD1527	6012.50	1923.80	1678.55	022.5	-11				In progress

Competent Person

The information in this release that relates to Exploration Results is based on information reviewed by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee of Panoramic Resources Limited. Mr Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person 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.

The information in this release that relates to Exploration Results specifically dealing with the interpretation of EM data is based on information compiled by Mr Bill Amann. Mr Amann is a member of the Australian Institute of Geoscientists (AIG) and is Managing Director and full-time employee of Newexco Services Pty Ltd. Mr Amann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each person 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 Amann 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, ABN 47 095 792 288) is an established Western Australian mining company operating two 100% owned underground nickel sulphide mines, the Savannah Project in East Kimberley and the Lanfranchi Project near Kambalda, Western Australia. On a Group basis, Panoramic produced 19,561t of contained nickel in FY2013 and is forecasting to produce between 21,000 and 21,500t of contained nickel in FY2014. Panoramic is an S&P/ASX 300 Index Company with a solid balance sheet, no bank debt and a growing nickel, gold and PGM resource base, employing more than 400 people (including contractors).

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic subsequently acquired the high-grade Wilsons Project located within the Gidgee tenement package as well as a 70% interest in the Mt Henry Gold Project. Panoramic released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee and released a positive Scoping Study on the Mt Henry Project in December 2012. Technical studies for the Mt Henry Bankable Feasibility Study have commenced.

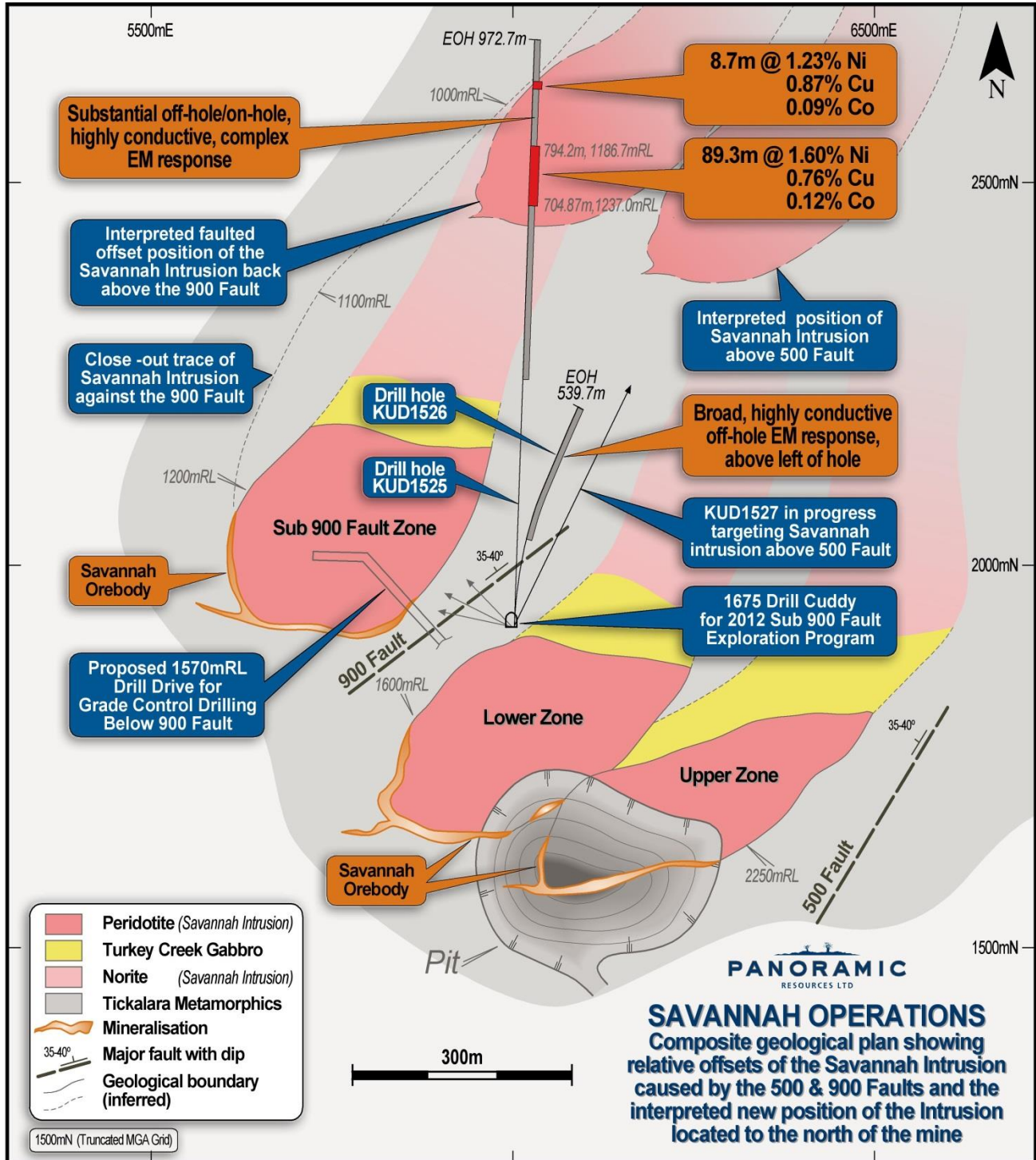
The Company has expanded into Platinum Group Metals (PGM) with the purchase of the Pantom PGM Project located approximately 60km south of the Savannah Project in the East Kimberley and the Thunder Bay North PGM Project in Northern Ontario, Canada.

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.

For further information contact:
Peter Harold, Managing Director
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Figure 1: Plan view of Savannah North showing position of drill holes KUD1525 and KUD1526 and their respective EM surveys





Appendix 1 – JORC 2012 Disclosures

Table 2, 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. 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. 	<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 mining tenements, being ML's 80/179 to 80/183 inclusive. 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 Jinchuan in China.
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 KUD1525 is an NQ2 size underground diamond hole, with collar coords of 1923.75mN, 6012.14mE & 1678.48mRL. Collar setup was due north at -41 degrees dip. End of hole depth is 972.7 metres. KUD1526 is an NQ2 size underground diamond hole, with collar coords of 1923.8mN, 6012.1mE & 1678.8mRL. Collar setup was due north at -55 degrees dip. End of hole depth is 539.7m. Both holes were EM surveyed by Bushgum Geophysical using a "DigiAtlantis system" between 26th Feb and 1st Mar 2014. Interpretation of the EM data was undertaken by Newexco Services Pty Ltd 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"> Previously reported weighted average intersections grades for KUD1525 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 were not calculated independently.
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 in KUD1525 with respect to the drill hole 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 the Savannah North Project area Panoramic believe that a simplified plan view showing the location of the exploration drill results in relation to the main areas of the SNM operation was more appropriate.



Criteria	JORC Code explanation	Commentary
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 relate to the EM surveys for the first two drill holes of a program to explore the Savannah North Project area, 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 form part of an ongoing exploration program by Panoramic to explore the Savannah North Project area following the discovery of significant “Savannah style” Ni-Cu-Co mineralisation in KUD1525. Details of the Company’s plans for the Savannah North Project were outline in ASX release dated 28th February 2014. Further results will be reported if and when they become available.



Appendix 2 – Newexco Services Pty Ltd
DHEM Report



Memorandum

To:	John Hicks, A. Shaw-Stuart	Client:	Savannah Nickel Mine
From:	Bill Amann, Nicholas Ebner	Project:	SNM
c.c:		Prospect:	Savannah North
Date:	2 March 2014	Memo No:	NX20997
Subject:	KUD1525 and KUD1526 DHEM Interpretation		

This memo concerns the interpretation of the response from down-hole electromagnetic surveys (DHEM) completed in diamond drill holes KUD1525 and KUD1526 at the Savannah Nickel Mine between the 26th of February and 1st March 2014. Bushgum Geophysical Services Pty Ltd acquired the data using a DigiAtlantis System and a Newexco transmitter system, wired into the mine power supply and utilising the surface mine loop see Figure 1. Data were recorded at 1 Hz base frequency.

DHEM was carried out in both drill holes with the objective of delineating conductive material proximal to the drill holes and to determine the character and extent of the intersected mineralisation previously reported in Newexco Memorandum NX20992. Both holes returned highly anomalous results as shown in Figure 2 and Figure 3. These anomalies are consistent with a large mass of highly conductive material and are considered highly significant and worthy of immediate follow up.

Interpretation

KUD1525 was drilled from underground drill-cuddy 1675DD and logged from 20m to 970 m as shown in Figure 2. The anomalous response is evident from around 200 m down hole to end of hole and exhibits a clear exponential decay with a time-constant in excess of 200 ms see Figure 4. The response as shown has a late time Ba cross over at around 500 m with corroborating positive peaks in both Bv and Bu components at a similar depth. This response is interpreted to be sourced from a significant highly conductive bedrock source lying sub-parallel to the drill hole between 400m and 700m down hole. Subsequent numerical modelling using a simple rectangular plate supports this interpretation as shown by the modelled response on Figure 5. The model of the off hole portion of the anomaly has a conductance of 5500S and depth and strike extents of around 260m and 520m respectively (although the strike extent is not well constrained). The modelled conductive body is located above and left of the drill hole as shown Figure 1. The anomalous response from 700m to 900m is consistent with an in hole intersection of highly conductive material suggesting mineralization may extend from 400m down hole to near the end of hole.



KUD1526 was logged from 20m to 538 m as shown in Figure 3. These data also exhibit a highly anomalous response with an exponential decay comparable to KUD1525 and consistent with a strong distal bedrock conductor. The Ba response shows a cross over at around 400m with corroborating maxima on Bu and Bv. Numerical modelling shown in red in Figure 5 using the same highly conductive source as that from KUD1525 satisfies the observed response.

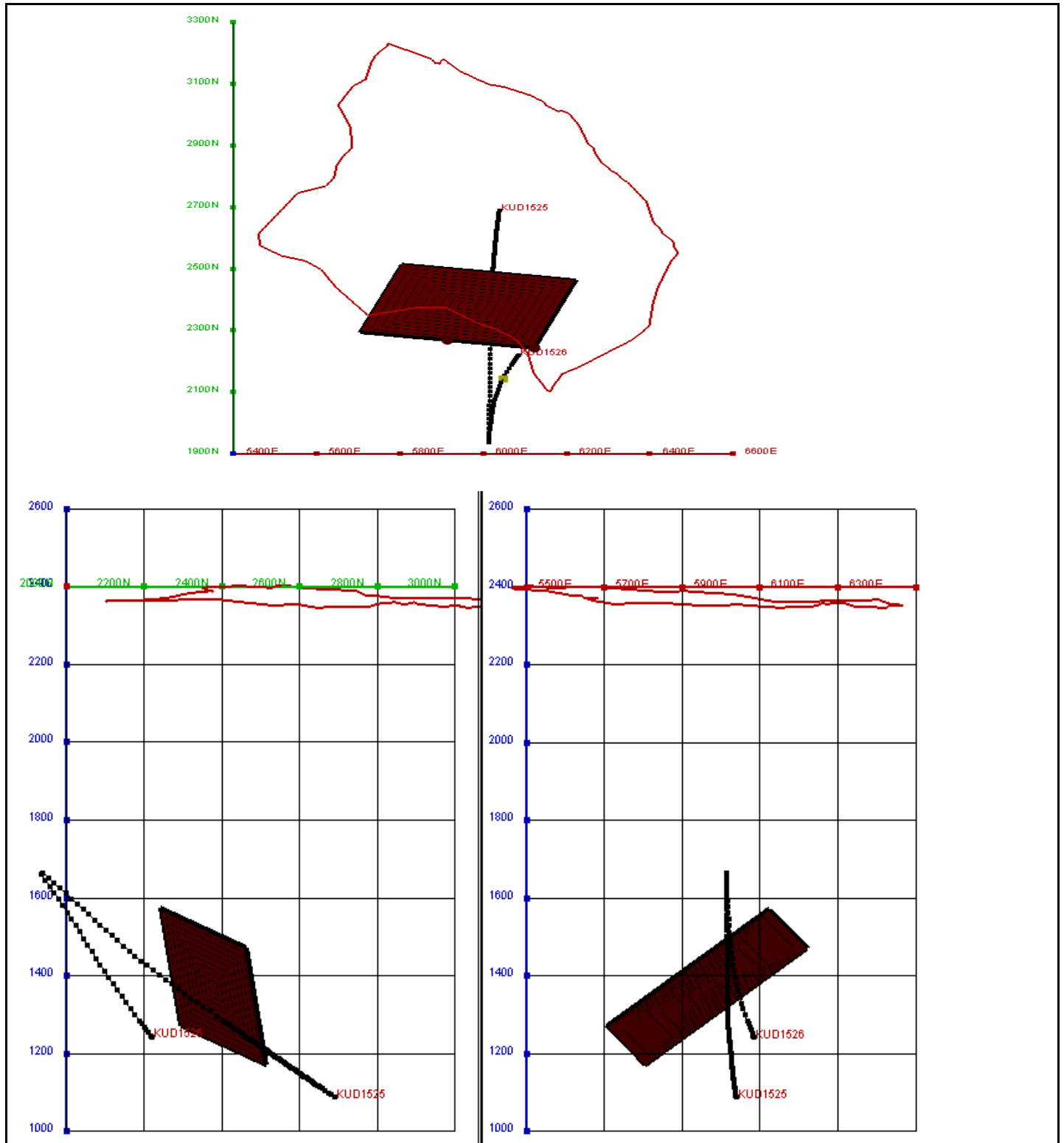
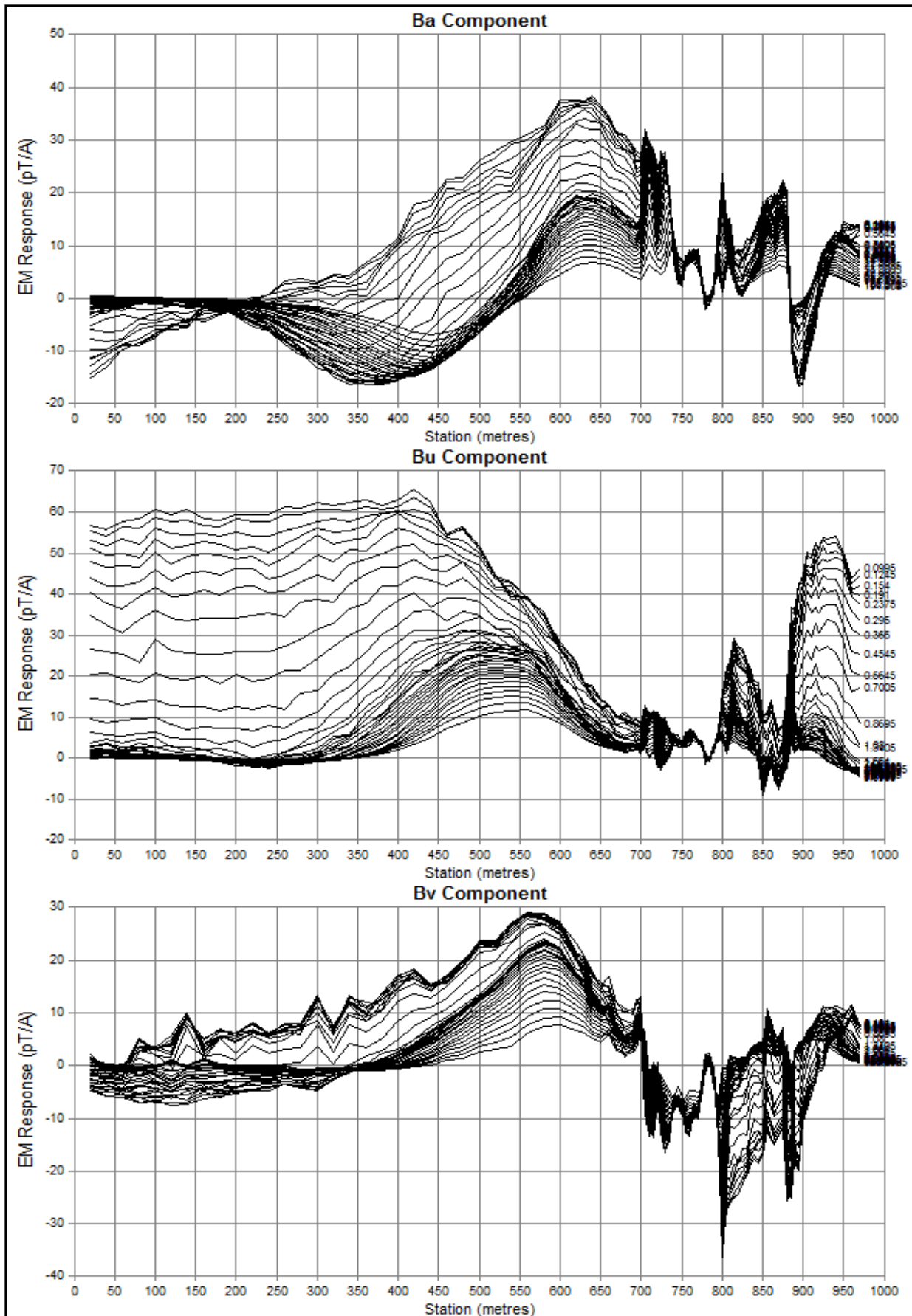


Figure 1: KUD1525, KUD1526 DHEM model results in plan (mine grid) and section views. The off-hole source sits above and left of hole with dimensions of 520m x 260 m.



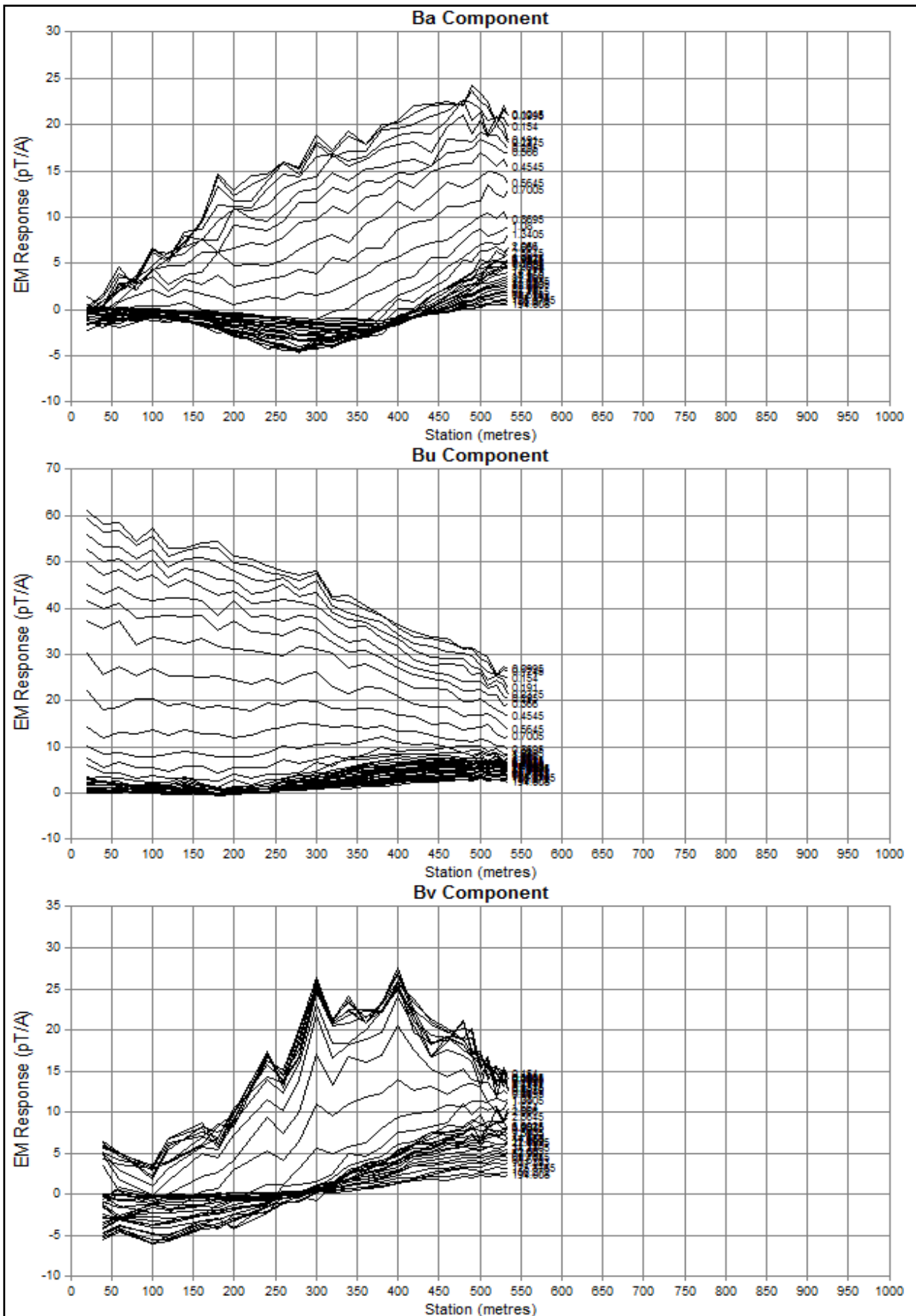


Figure 3: KUD1526 logarithmic amplitude versus depth, showing B-Field A, U and V components

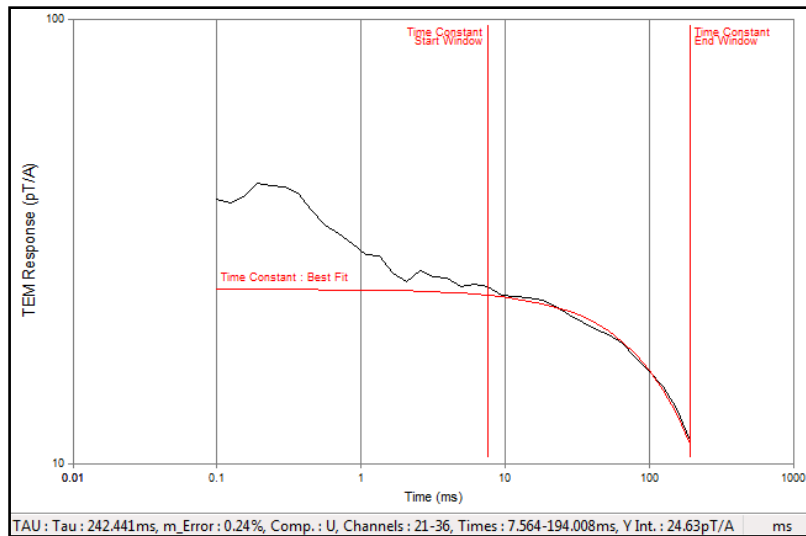


Figure 4: KUD1525 decay-curve analysis of Bu component at 540m down hole. A 252 ms time-constant decay is modelled with a very good fit to an exponential.

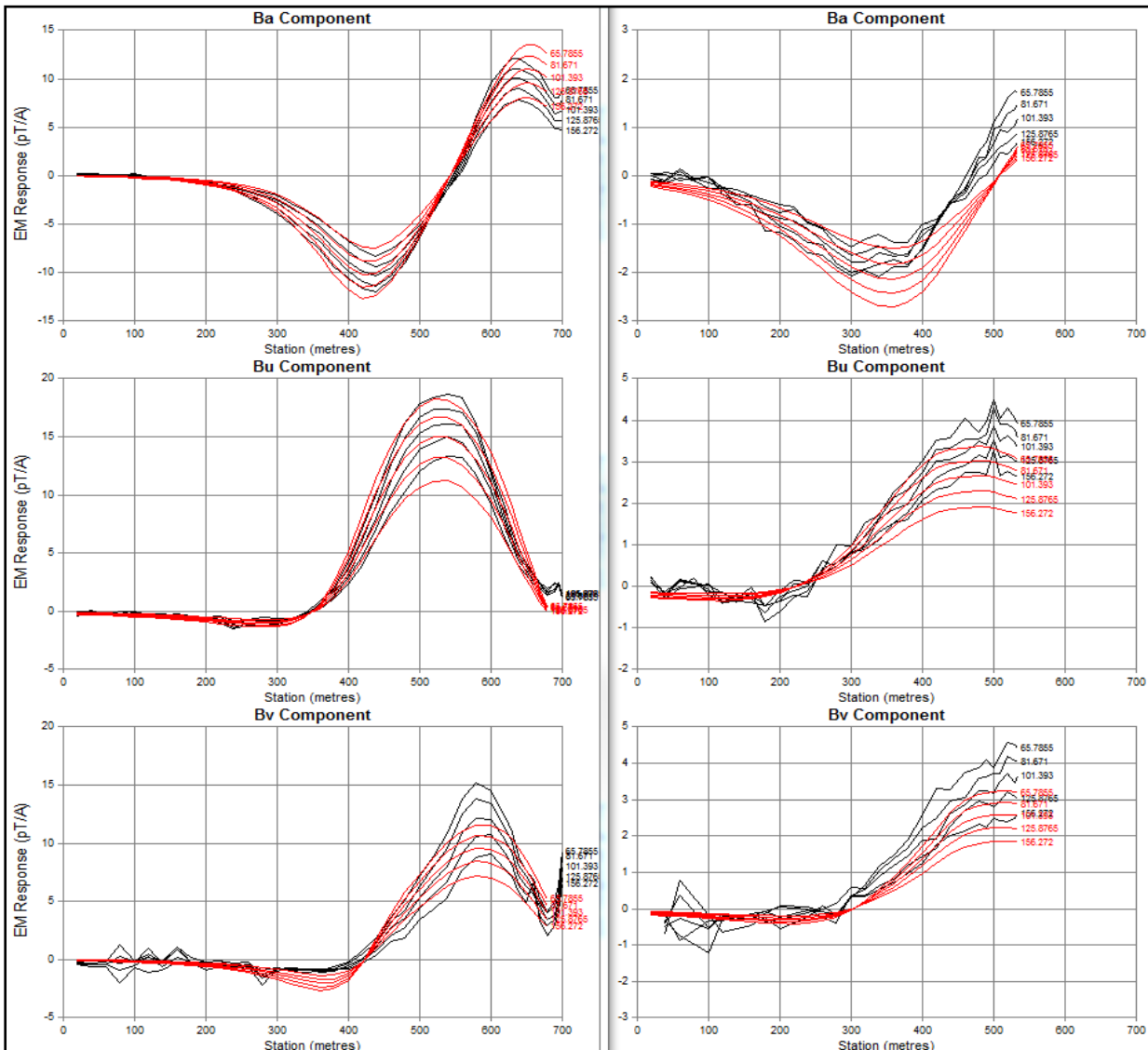


Figure 5: KUD1525 and KUD1526 simultaneous modelling of off hole conductor, constrained to intersect KUD1525 at 750 m down hole. Channels 31–35 (66–156 ms). Black and red profiles represent field and modelled response respectively.