



30 July 2014

ASX: PAN

Thunder Bay North – Earn-in and Option to Joint Venture

Highlights

- Panoramic's wholly owned subsidiary, Panoramic PGMs (Canada) Limited (**PAN**), has signed an Earn-in with Option to Joint Venture Agreement (**Agreement**) with Rio Tinto Exploration Canada Inc. (**RTEC**), a wholly owned subsidiary of Rio Tinto, to consolidate their respective Platinum Group Metal (**PGM**) projects in Ontario, Canada
- Consolidation includes PAN's Thunder Bay North Project and RTEC's Escape Lake Project (**Consolidated Property or Consolidated Project**). Escape Lake is surrounded on all sides by PAN's Project.
- RTEC has an option to spend up to CAD\$20.25 million over the next five and a half years to earn a 70% interest in Thunder Bay North. If RTEC do so, PAN will acquire a 30% interest in Escape Lake.
- PAN has been granted certain rights to acquire 100% of Escape Lake in the event RTEC does not proceed with the Earn-in/Joint Venture
- Panoramic believes RTEC's interest in the Thunder Bay North Project and the terms of the proposed Earn-in/Joint Venture demonstrate the potential of the Consolidated Property
- Panoramic believes the consolidation of the Thunder Bay North and Escape Lake projects potentially gives the Consolidated Project significant critical mass

Background

The Thunder Bay North (**TBN**) Project is located in North-West Ontario, Canada and had a NI43-101 compliant Preliminary Economic Assessment completed in 2011. TBN has a Resource of 377koz Pt, 355koz Pd (*refer Appendix 1*). The TBN Project remains prospective for further Ni, Cu and PGM discoveries. RTEC holds a single tenement called Escape Lake (**EL**) within the core of the TBN tenement package (*Figure 1*). PAN and RTEC have recognised that the best way of realising value from both Projects is to combine TBN and EL into a single project.

Earn-in and Option to Joint Venture Details

The key terms of the Agreement include:

Phase 1 - Exploration Target Generation (**ETG**) - Prior to 31 December 2014, RTEC will spend CAD\$250k and PAN and RTEC will jointly carry out a detailed review of all existing data for the Consolidated Project. The aim is to review existing data sets and to develop exploration concepts/targets on the Consolidated Property, while sharing exploration expertise and techniques.

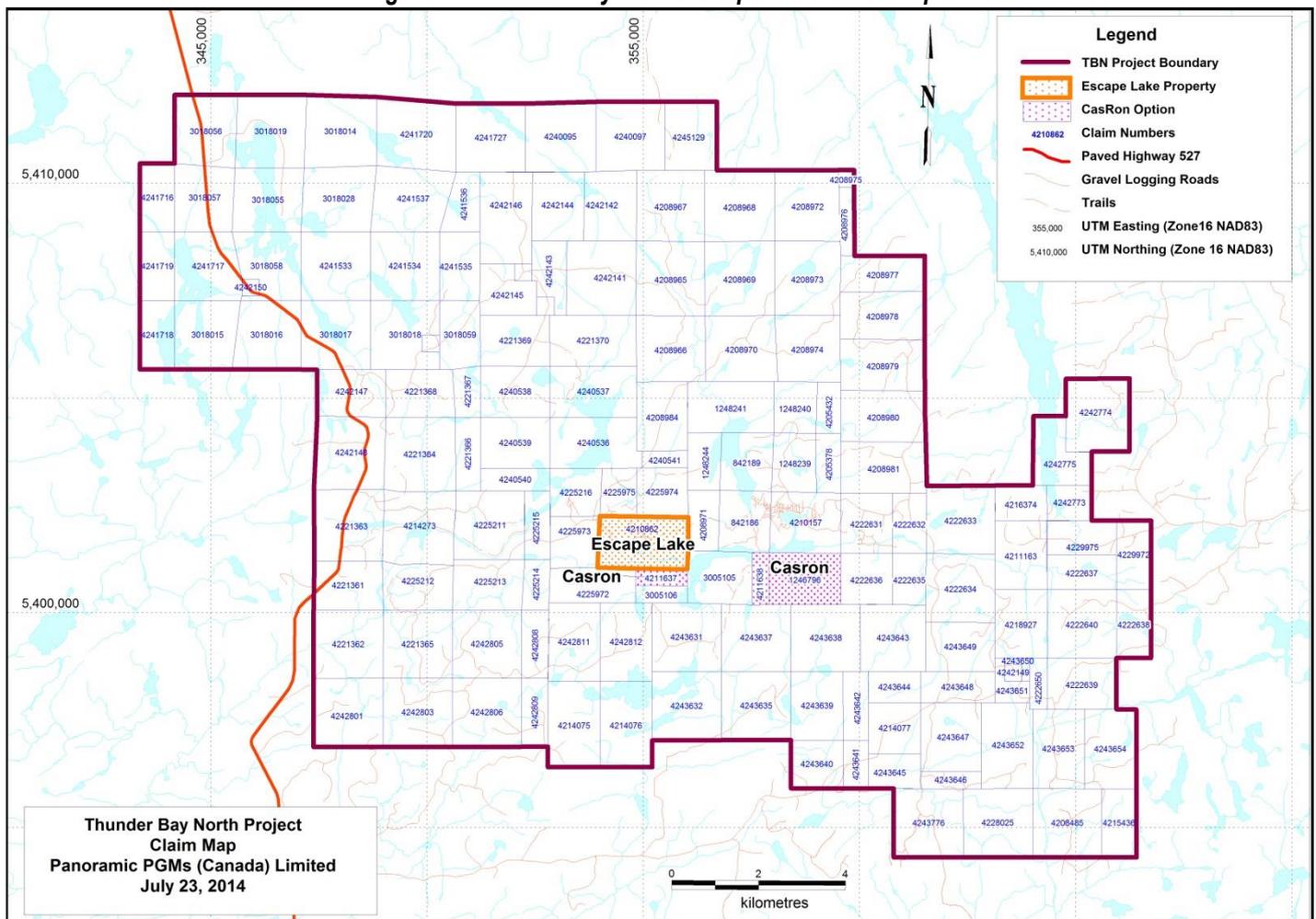


Phase 2 – The Earn-in Option - At the end of the ETG phase, RTEC can elect to earn a 70% interest in the TBN Project by sole funding CAD\$20 million of expenditure over a five year period. If RTEC so elects, RTEC is required to spend a minimum of CAD\$5 million before it can withdraw. During this period, RTEC will be responsible for managing the Consolidated Property and ensuring the tenements are kept in good standing. If RTEC elects not to exercise its right to earn in, or having elected to do so, does not earn its 70% interest, PAN will have certain rights to purchase 100% of EL.

Phase 3 – Joint Venture - If RTEC earns its 70% interest by spending CAD\$20 million, then PAN will acquire a 30% interest in EL and a contributing Joint Venture will be established on 70/30 basis (RTEC/PAN). Once the Joint Venture is formed RTEC will, as Manager:

- maintain the Consolidated Property in good standing, and
- manage the Joint Venture.

Figure 1 – Thunder Bay North/Escape Lake Claim Map



Rationale for the Transaction

Panoramic believes the Agreement reached with RTEC provides a strong vote of confidence in the future of the TBN Project while potentially giving Panoramic a 30% interest in RTEC's adjacent EL Project. Panoramic also believes the skills, expertise and resources that RTEC will be able to bring to the Consolidated Project are world class in addition to the potential significant financial commitment of up to CAD\$20.25 million over five and half years.



The transaction allows Panoramic to simplify its project development portfolio while continuing to have exposure to any exploration success at TBN, without the present need to allocate Panoramic's existing financial resources to the TBN Project. The transaction allows Panoramic to focus its available personnel and financial resources towards its core nickel business, advancing the Panton PGM project located approximately 60km to the south of our 100% owned Savannah Nickel Operation, advancing the feasibility studies on our gold projects and other corporate initiatives.

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 had record production of 22,256t contained nickel in FY2014 and is forecasting to produce between 20,000 and 21,000t contained nickel in FY2015.** Panoramic has a solid balance sheet, no bank debt and a growing nickel, gold and PGM resource base, employing more than 400 people (including contractors).

Panoramic also owns significant gold and PGM development projects:

- The Gidgee Gold Project, located near Wiluna, Western Australia;
- a 70% interest in the Mt Henry Gold Project, near Norseman, Western Australia;
- the Panton PGM Project, 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.

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Appendix 1 - Thunder Bay North Resources

Resource	Equity (%)	Date of Resource	JORC Compliance	Tonnage	Grade								Metal (oz)		
					Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Ni (%)	Co (%)	Pt-Eq (g/t)	Pt	Pd
Open Pit	100	Jan-11	2004												
Indicated				8,460,000	1.04	0.98	0.04	0.07	1.50	0.25	0.18	0.014	2.13	283,000	267,000
Inferred				53,000	0.96	0.89	0.04	0.07	1.60	0.22	0.18	0.014	2.00	2,000	2,000
Underground	100	Feb-12	2004												
Indicated				1,369,000	1.65	1.54	0.08	0.11	2.60	0.43	0.24	0.016	3.67	73,000	68,000
Inferred				472,000	1.32	1.25	0.06	0.09	2.10	0.36	0.19	0.011	2.97	20,000	19,000
Total (Equity)				10,354,000										377,000	355,000

Open Pit Resource

The effective date of this estimate is 11 January 2011, which represents the cut-off date for the most recent scientific and technical information used in the report. The Mineral Resource categories under the JORC Code (2004) are the same as the equivalent categories under the CIM Definition Standards for Mineral Resources and Mineral Reserves (2010). The portion of the Mineral Resource underlying Current Lake is assumed to be accessible and that necessary permission and permitting will be acquired. All figures have been rounded; summations within the tables may not agree due to rounding.

The open pit Mineral Resource is reported at a cut-off grade of 0.59 g/t Pt-Eq within a Lerchs-Grossman resource pit shell optimized on Pt-Eq. The strip ratio (waste:ore) of this pit is 9.5:1. The contained metal figures shown are in situ. No assurance can be given that the estimated quantities will be produced. The platinum-equivalency formula is based on assumed metal prices and overall recoveries. The Pt-Eq formula is: Pt-Eq g/t = Pt g/t + Pd g/t x 0.3204 + Au g/t x 0.6379 + Ag g/t x 0.0062 + Cu g/t x 0.00011 + Total Ni g/t x 0.000195 + Total Co g/t x 0.000124 + Rh g/t x 2.1816. The conversion factor shown in the formula for each metal represents the conversion from each metal to platinum on a recovered value basis. The assumed metal prices used in the Pt-Eq formula are: Pt US\$1,595/oz, Pd US\$512/oz, Au US\$1,015/oz, Ag US\$15.74/oz, Cu US\$2.20/lb, Ni US\$7.71/lb, Co US\$7.71/lb and Rh US\$3,479/oz. The assumed combined flotation and Platsol™ process recoveries used in the Pt-Eq formula are: Pt 76%, Pd 75%, Au 76%, Ag 55%, Cu 86%, Ni 44%, Co 28% and Rh 76%. The assumed refinery payables are: Pt 98%, Pd 98%, Au 97%, Ag 85%, Cu 100%, Ni 100%, Co 100% and Rh 98%.

The updated Resources do not include drilling conducted since 31 May 2010. The information in this release that relates to Mineral Resources compiled by AMEC Americas Limited was prepared by Greg Kulla P.Ge. (APOG #1752, APEGBC #23492) and David Thomas, P.Ge., MAusIMM (APEGBC #149114, MAusIMM #225250), both full time employees of AMEC Americas Limited. The aforementioned have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the JORC Code and independent qualified persons as this term is defined in Canadian National Instrument 43-101.

Underground Resource

The internal Underground Mineral Resource estimate for the East Beaver Lake extension was made by ordinary kriging methods using the same technical and financial parameters as those used by AMEC Americas Limited for the Underground Mineral Resource estimate reported by Magma Metals limited ("Magma") on 6 September 2010. The Underground Mineral Resource is reported at a cut-off grade of 1.94g/t Pt-Eq. The contained metal figures shown are in situ. The platinum equivalency formula is based on assumed metal prices and recoveries and therefore represents Pt-Eq metal in situ. The Pt-Eq formula is: Pt-Eq g/t = Pt g/t + Pd g/t x 0.2721 + Au g/t x 0.3968 + Ag g/t x 0.0084 + Cu g/t x 0.000118 + Sulphide Ni g/t x 0.000433 + Sulphide Co g/t x 0.000428 + Rh g/t x 2.7211. The assumed metal prices used in the Pt-Eq formula are: Pt US\$1,470/oz, Pd US\$400/oz, Rh US\$4,000/oz, Au US\$875/oz, Ag US\$14.30/oz, Cu US\$2.10/lb, Ni US\$7.30/lb and Co US\$13.00/lb. The assumed process recoveries used in the Pt-Eq formula are: Pt 75%, Pd 75%, Rh 75%, Au 50%, Ag 50%, Cu 90%, and Ni and Co in sulphide 90%. The assumed smelter recoveries used in the Pt-Eq formula are Pt 85%, Pd 85%, Rh 85%, Au 85%, Ag 85%, Cu 85%, Ni 90% and Co 50%. To account for a portion of the Ni and Co occurring as silicate minerals, Ni and Co in sulphide were estimated by linear regression of MgO to total Ni and total Co respectively. The regression formula for Ni in sulphide (NiSx) is: NiSx = Ni - (MgO% x 60.35 - 551.43). The regression formula for Co in sulphide (CoSx) is: CoSx = Co - (MgO% x 4.45 - 9.25). All figures have been rounded. Summations within the tables may not agree due to rounding. Magma undertook quality assurance and quality control studies on the mineral resource data and concluded that the collar, assay and lithology data are adequate to support resource estimation.

The Mineral Resource categories under JORC are the same as the equivalent categories under CIM Definition Standards (2005). The Mineral Resource has been estimated in conformity with both generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" (2003) guidelines and the 2004 Edition of the JORC Code. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.



The information in this release that relates to Mineral Resources compiled internally was prepared by Guoliang Leon Ma P.Geo and Allan MacTavish P.Geo, both full time employees of Panoramic PGMs (Canada) Limited, a wholly owned subsidiary of Panoramic Resources Limited. Both the aforementioned have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the JORC Code and qualified persons as this term is defined in Canadian National Instrument 43-101. The aforementioned all consent to the inclusion in the release of the matters based on this information in the form and context in which it appears.