



Highly leveraged to nickel price recovery

Australian Nickel Conference

Peter Harold, Managing Director

20 October 2016

www.panoramicresources.com

ASX: PAN

Disclaimer

No New Information or Data

This presentation contains references to exploration results and Resource estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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This presentation may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



Background

Nickel – production ready
assets

Gold – IPO to unlock value

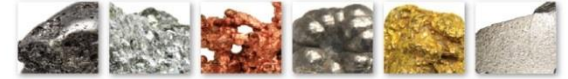
Key deliverables



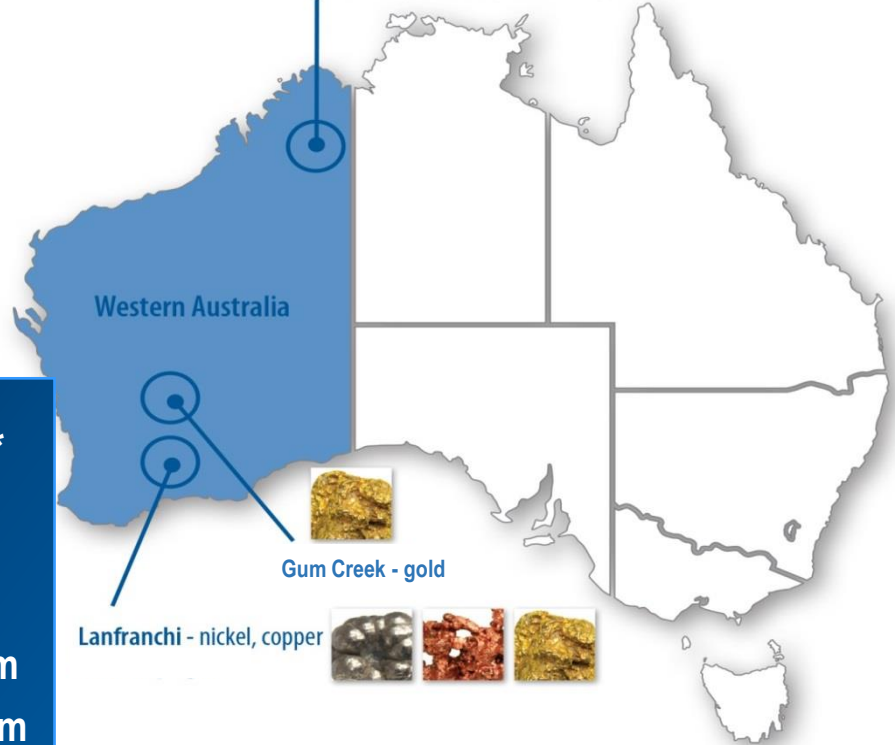
Significant Resources



Thunder Bay North - platinum, palladium, copper, nickel



Savannah - nickel, copper, cobalt
Copernicus - nickel, copper, cobalt
Panton - platinum, palladium, gold



RESOURCES*
321,800t Nickel
1.27Moz Gold
1.36Moz Platinum
1.44Moz Palladium
83,200t Copper
10,400t Cobalt



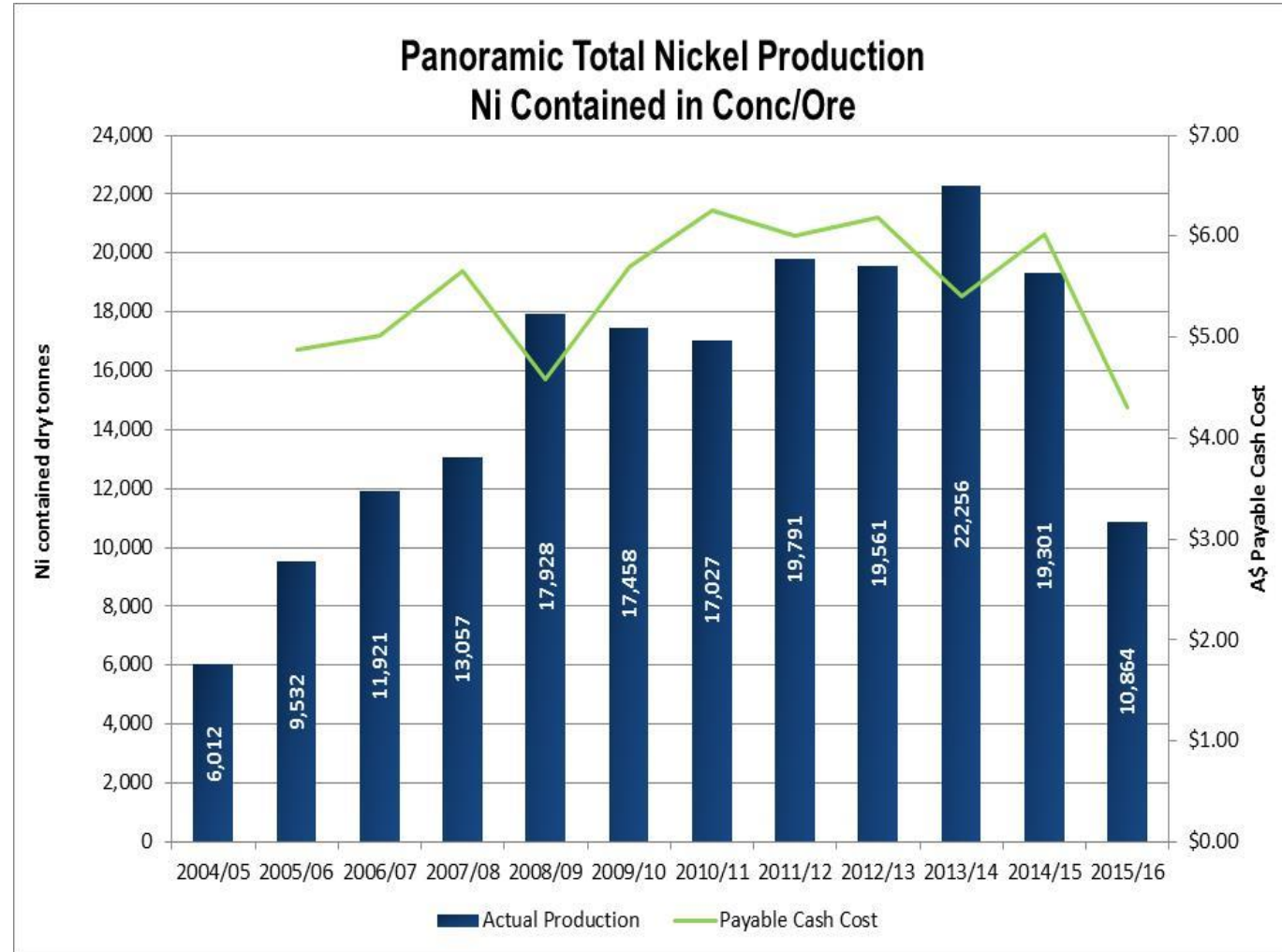
Gum Creek - gold



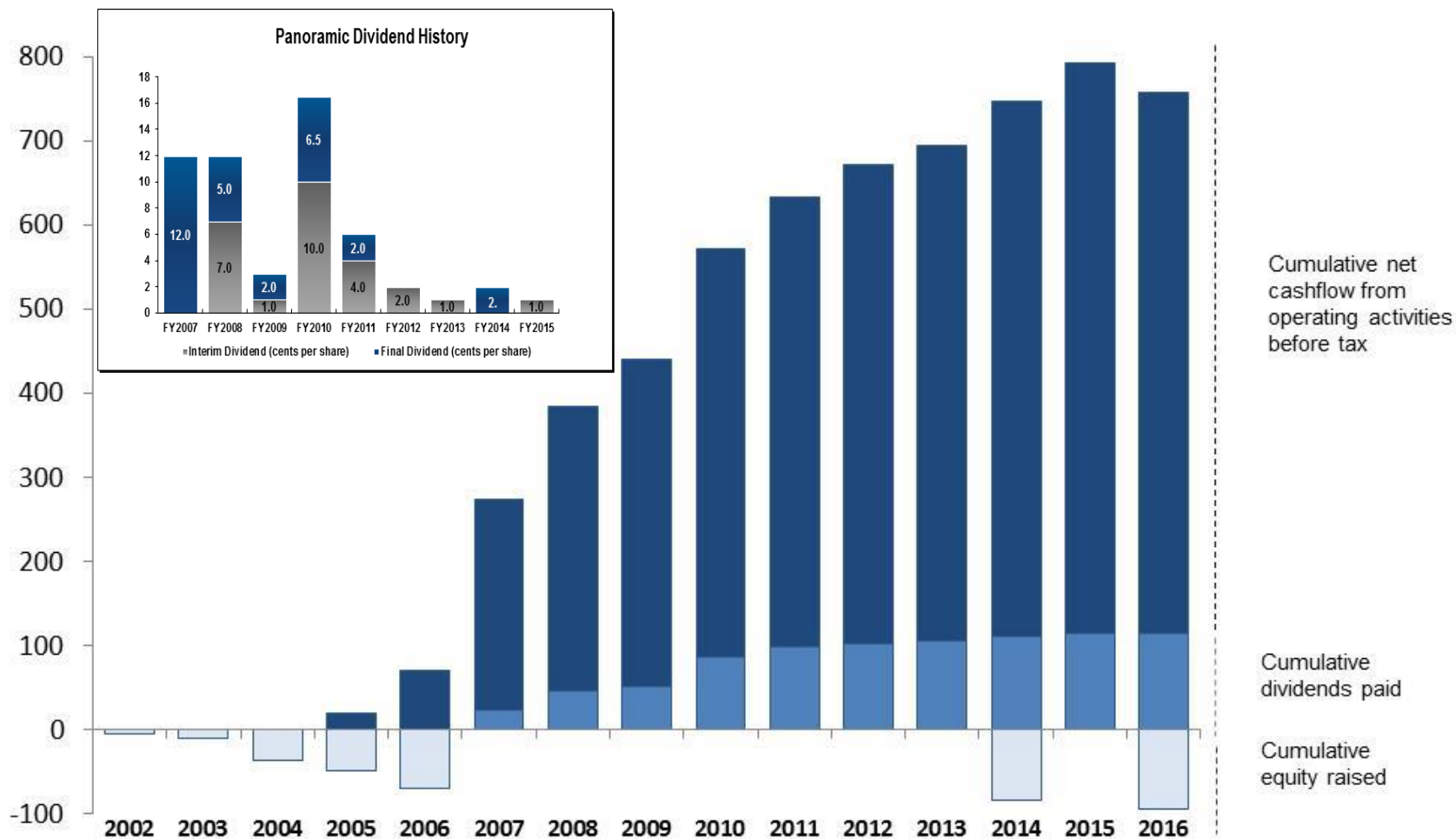
Lanfranchi - nickel, copper

Strong production history

■ Nickel 184,708t
■ Copper 60,590t
■ Cobalt 4,966t



Generated cash and paid \$114.3M in dividends



Continuous exploration success

Savannah

- **Savannah Lower Zone 2008**
3.4Mt @ 1.48% Ni for **50,120t Ni**
- **Below 900 Fault 2014**
905kt @ 1.65% Ni for **14,900t Ni**
- **Copernicus 2006**
852kt @ 1.24% Ni for **10,600t Ni**
- **Savannah North 2014**
10.27Mt @ 1.70% Ni for **175,100t Ni**

Lanfranchi

- **Deacon 2006**
2.24Mt @ 2.83% Ni for **63,551t Ni**
- **Jury-Metcalf 2013**
312kt @ 1.94% Ni for **6,000t Ni**
- **Lower Schmitz 2015**
131kt @ 5.1% Ni for **6,700t Ni**

TOTAL ~320,000t Ni



John Hicks, General Manager Exploration

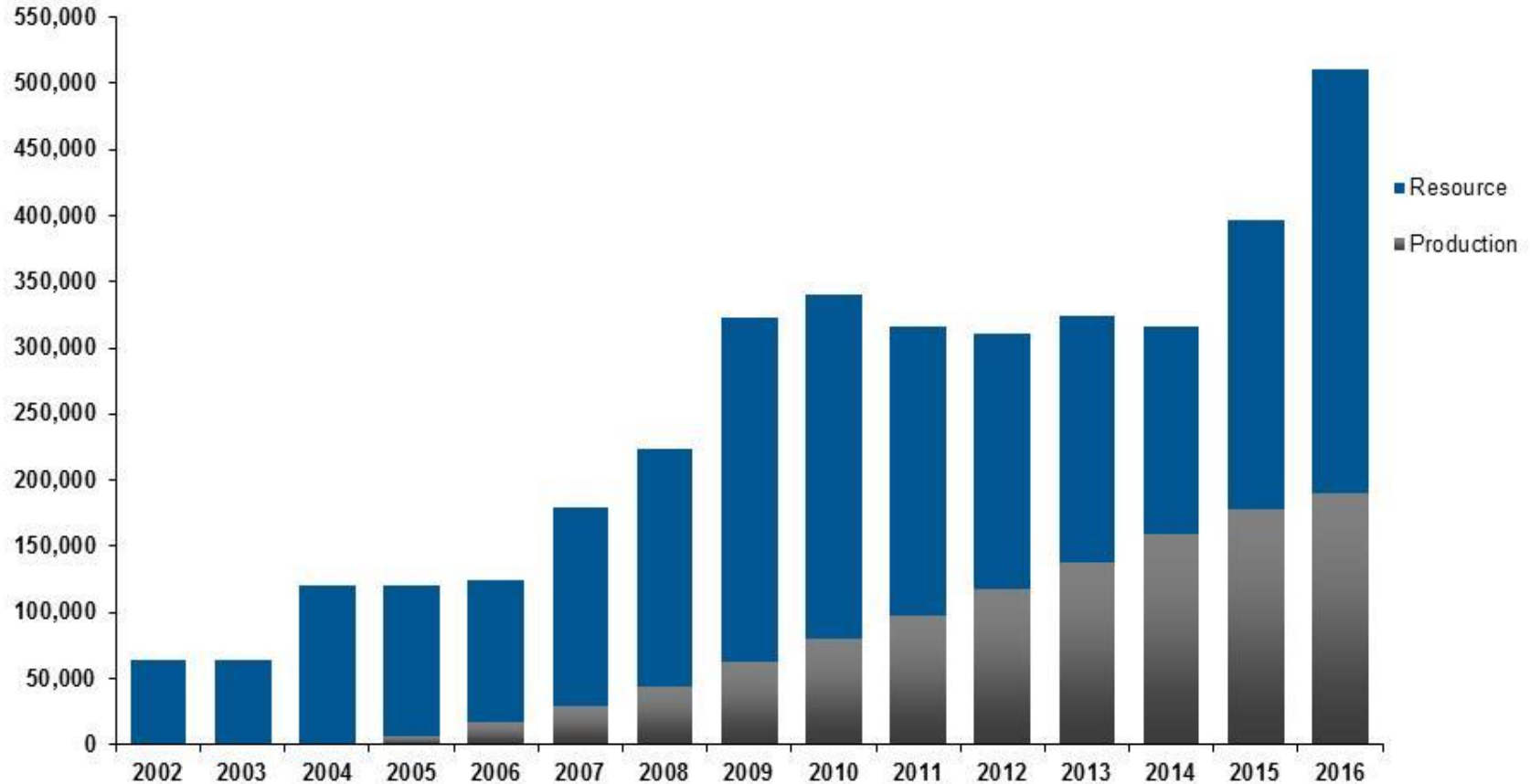
Gum Creek

- **Combined Howards, Heron South, Swan, Swift and Wilsons**
14.0Mt @ 1.41g/t Au for 638koz Au

TOTAL ~630,000oz Au

Growing nickel Resource base

Panoramic
Aggregate Production and Total Resources



Low EV for asset base

Market Capitalisation

\$98M

ASX Ticker

Issued Capital

PAN

428.6M

Liquid Assets
30 June 2016

Debt

\$30M

Nil

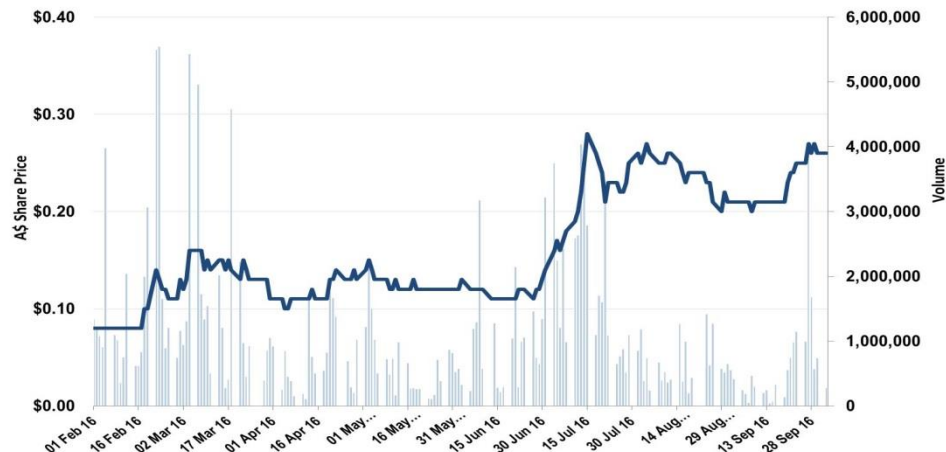
Share Price
19 October 2016

Enterprise Value

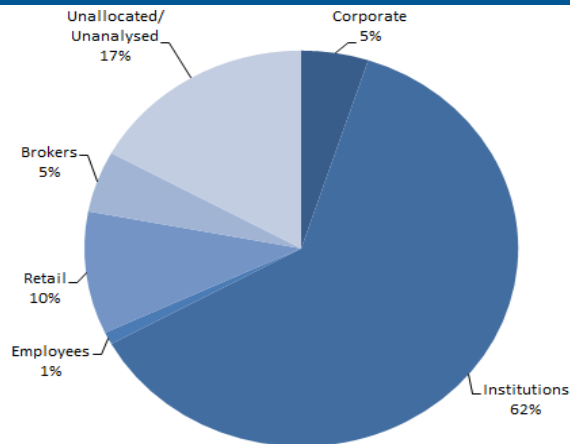
0.23 cents

\$70M

12 month share price performance



Shareholder spread +60% institutional



Nickel – production ready assets



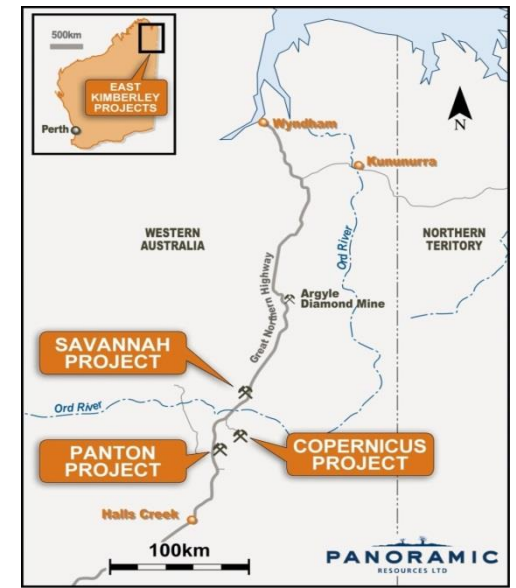
Savannah - summary

Combined Resources at Savannah*

- 226,400t Ni
- 104,700t Cu
- 15,300t Co

Key Points

- Underground mine, 1Mtpa processing plant, mobile mining fleet & associated infrastructure
- Operated continuously for 12 years
- **8.5Mt ore milled**
- **95kt Ni, 53kt Cu, 5kt Co of metal**
- Care and maintenance from May 2016
- Offtake agreement until early 2020



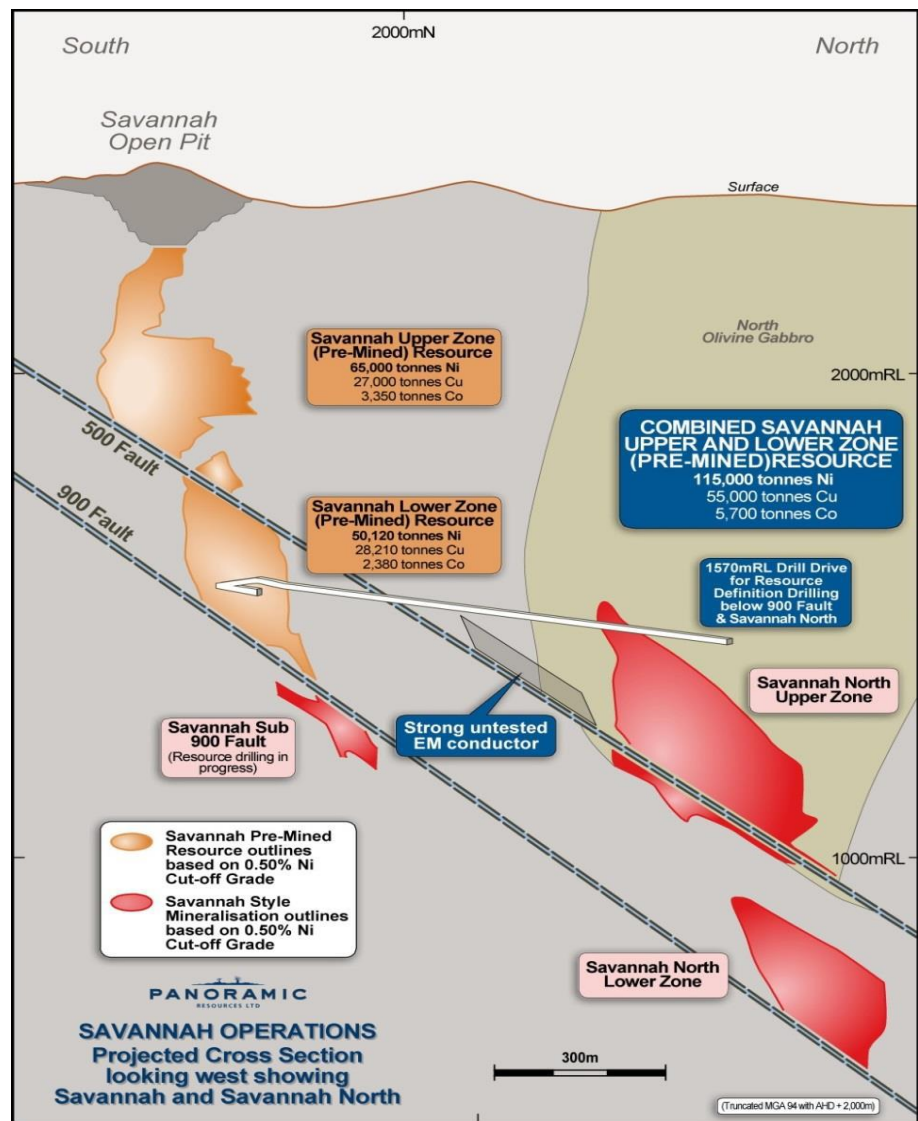
Savannah North

Upgraded Resource*

- 175,100t Ni
- 74,400t Cu
- 12,700t Co

Key Points

- ~500 metres from existing decline
- Scoping Study indicated ~8 year mine life
- Reasonably short development timeframe
- Exploration upside



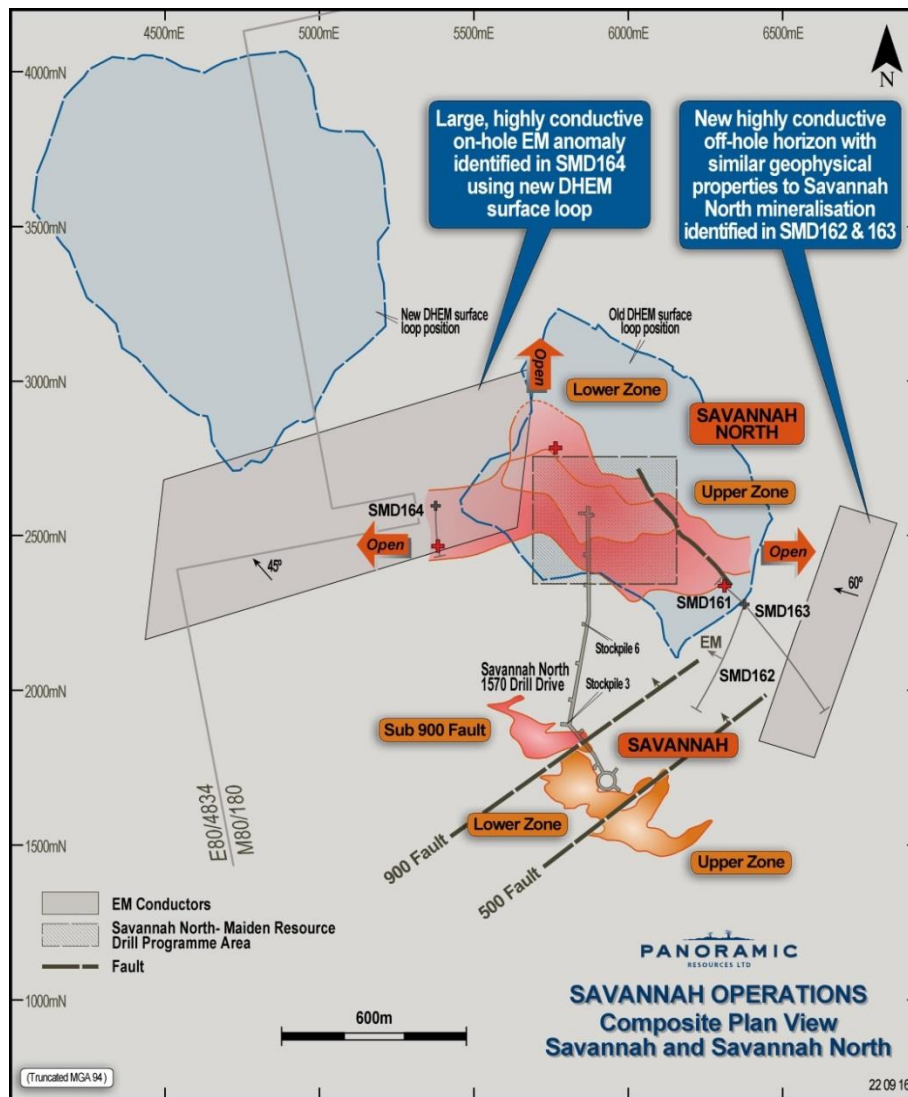
Savannah - priorities

Complete feasibility study

- Combined Savannah/Savannah North
- Optimise mine plan
- Metallurgical studies targeting
 - higher grade bulk concentrate
 - split concentrates
 - improved recoveries
- CAPEX and OPEX optimisation
- Completion targeting late 2016

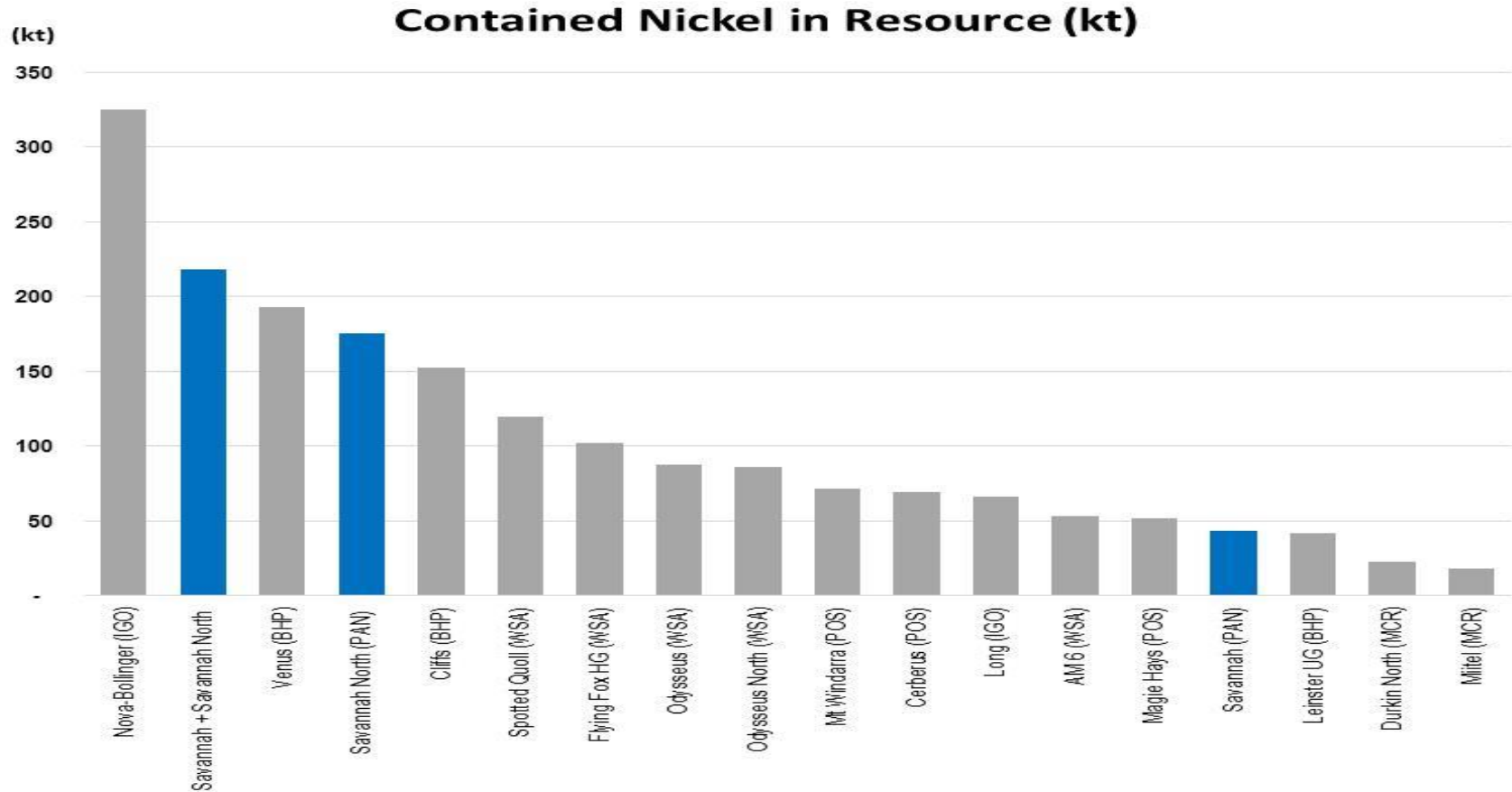
Continue exploration

- Surface drilling to test EM targets
- Continue testing 2km strike length



Savannah + Savannah North – a significant Resource

Australian higher grade nickel sulphide deposits



Source:

IGO - ASX announcement dated 28-10-2015

BHP - 2015 Annual Report

WSA - ASX announcement dated 21-7-2016

POS - ASX announcement dated 7-7-2016

MCR - ASX announcement dated 29-7-2016

Lanfranchi - summary

Resource

- 95,500t Ni

Key Points

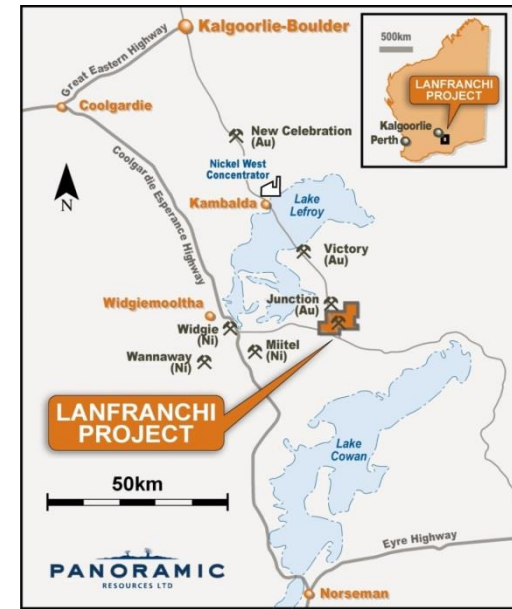
- Underground mine, mobile mining fleet and equipment and associated infrastructure
- Mined continuously for 10 years (2005-2015)
- **3.85Mt ore mined containing 94kt Ni**
- Care and maintenance from November 2015
- Offtake with BHP Nickel West to Feb 2019

Lower Schmitz high-grade Resource

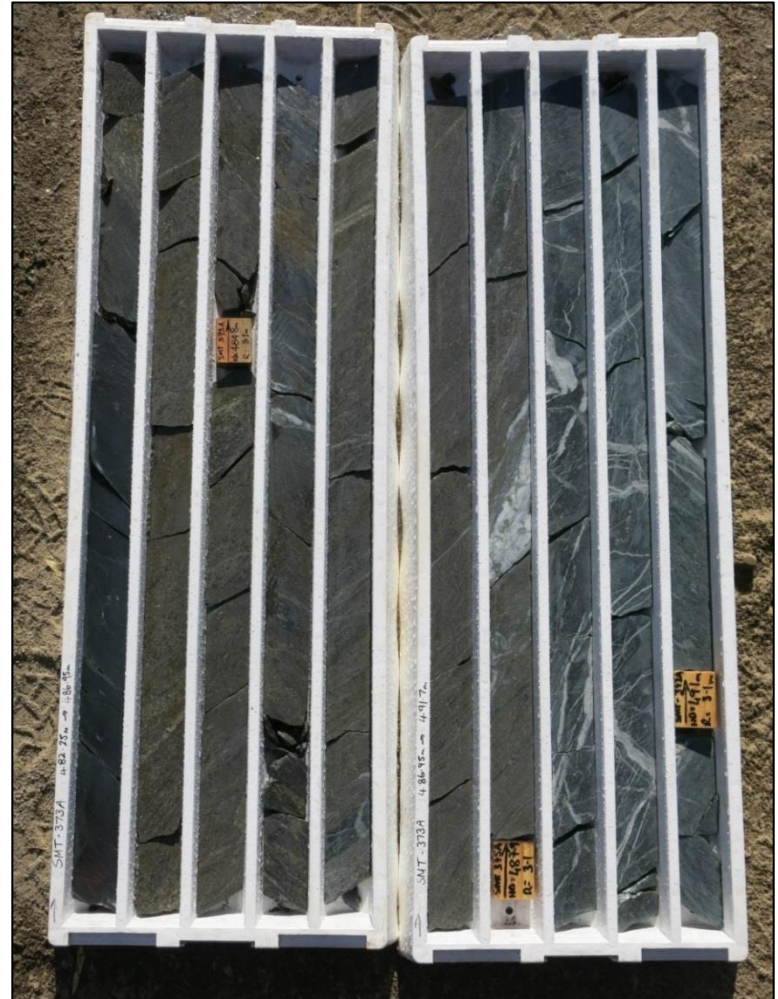
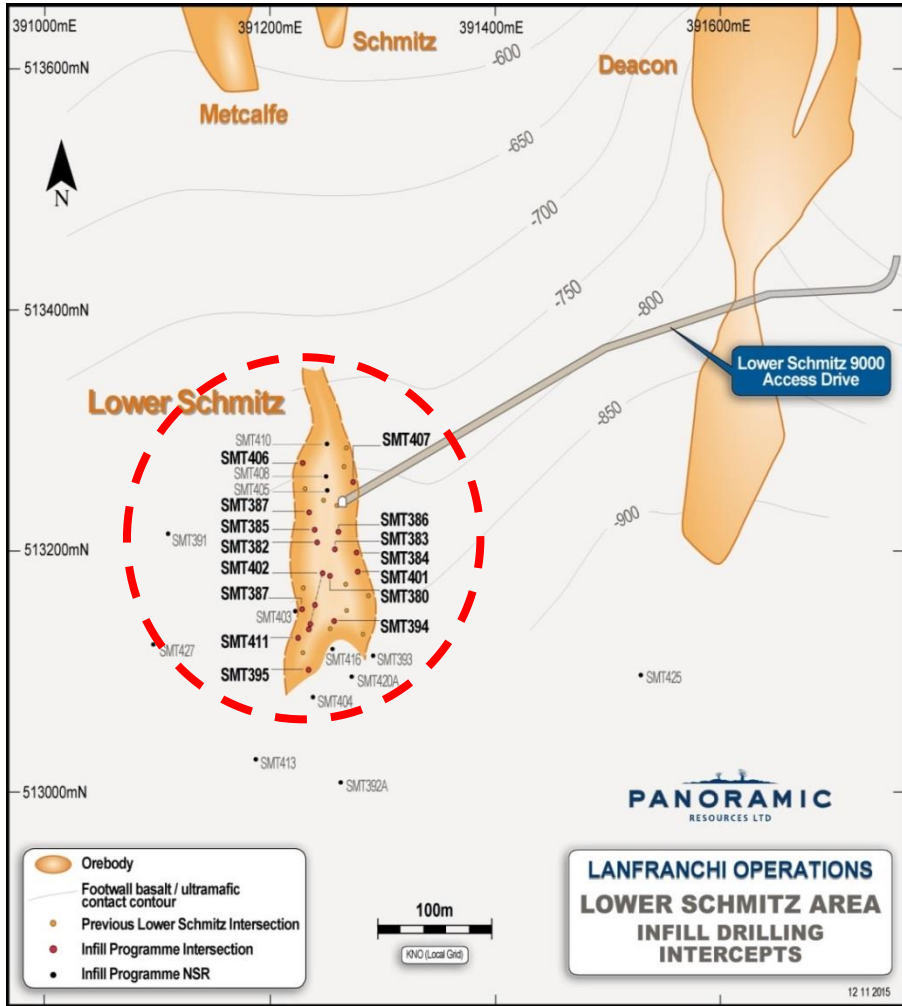
- **131kt at 5.1% Ni for 6,700t Ni**
- EM anomaly 100m to the north

Exploration upside

- Multiple exploration targets identified



Lanfranchi – Lower Schmitz high-grade



Lanfranchi – significant exploration potential

Schmitz Channel – Lower Zone

- 700m below surface
- 9,000t Ni per 100m vertical*
- Historic production of ~53,000t Ni from the Schmitz channel including:
 - Schmitz 33,552t Ni
 - Skinner 13,678t Ni
 - Winner 6,250t Ni

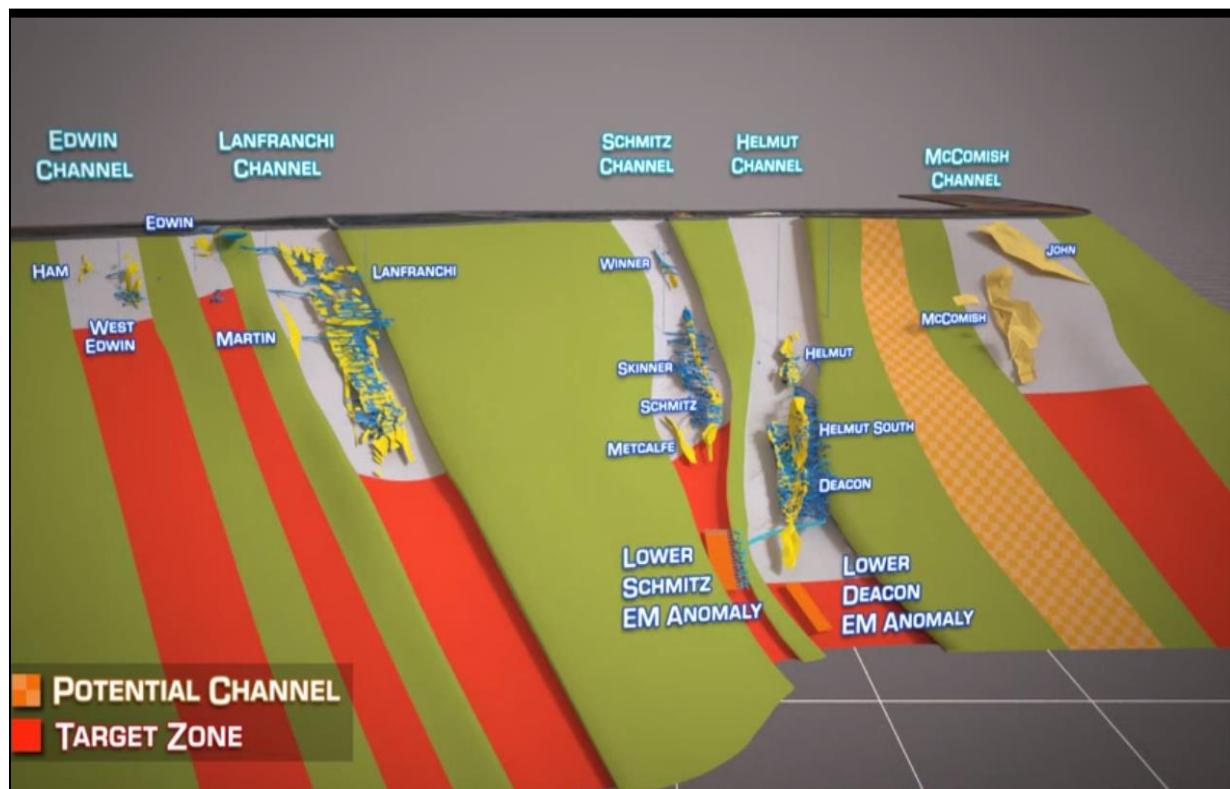
Lanfranchi Channel

- 500m below surface
- 6,000t Ni per 100m vertical*

Helmut/Deacon Channel

- 900m below surface
- 20,000t Ni per 100m vertical*

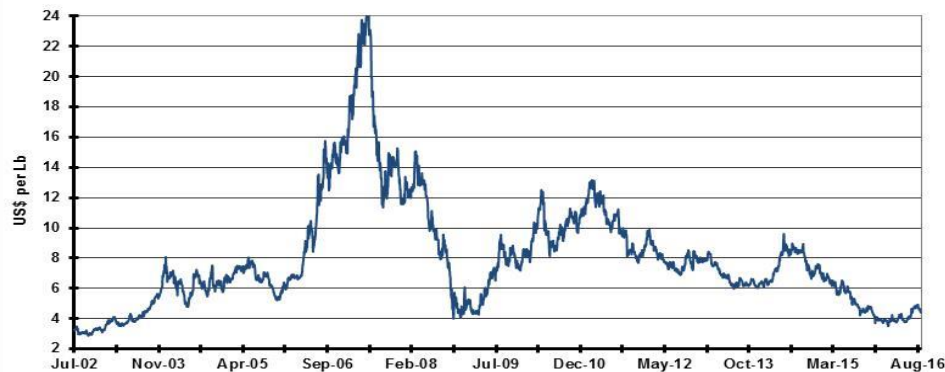
New Channels?



*Historical Ni tonnes per vertical metre

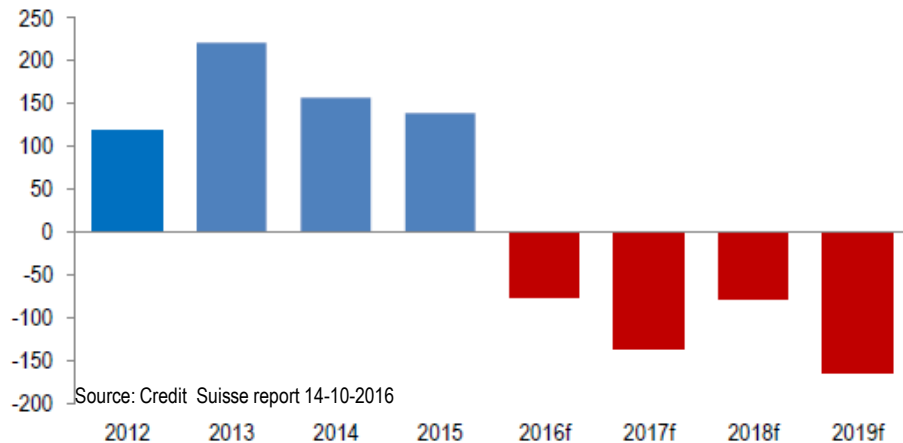
Improving nickel price environment

LME US\$ Nickel Price
July 2002 to August 2016



Source: Panoramic internal

Finished Nickel Supply/Demand Balances (kt Ni)



Source: Credit Suisse report 14-10-2016

Nickel plays surge over Philippine mine query

■ Nick Evans

Shares in Western Areas and other WA nickel miners surged yesterday afternoon after the Philippines government flagged fresh mine closures which could lead to a chunk of global supply disappearing.

Western Areas shares began to run shortly after midday, as the official Twitter account of the Philippines Department of Environment and Natural Resources began live coverage of a press conference held by Environment Secretary Gina Lopez on the results of a wide-ranging environmental audit.

Ten mines across the country have been suspended over environmental concerns, with a further 20 recommended for closure within a week unless they swiftly respond to concerns raised in the review, the DNER said.

Between them, the 10 mines suspended and 20 under a cloud produced 55 per cent of the country's output last year of about 470,000 tonnes, or about

The West Australian,
28 September 2016



24 per cent of global supply. Until the press conference began about midday WA time, Western Areas shares were trading at just under \$2.80. They surged sharply as news of the potential closures broke, finishing the day up 31¢ or 10.9 per cent, at \$3.16.

Other nickel players made strong gains with Mincor Resources up 2.5¢, or 7.46 per cent, to 36¢ and Independence Group lifting 16¢, or 3.91 per cent, to \$4.25.

Even Panoramic Resources, which mothballed its mines this year because of the low nickel price, was up 2¢, or 8 per cent, to 27¢.

Gold – unlocking value



Gum Creek Gold - summary

Significant Resources*

- 17.3Mt at an average grade of 2.25g/t Au for 1.25Moz

Ground position

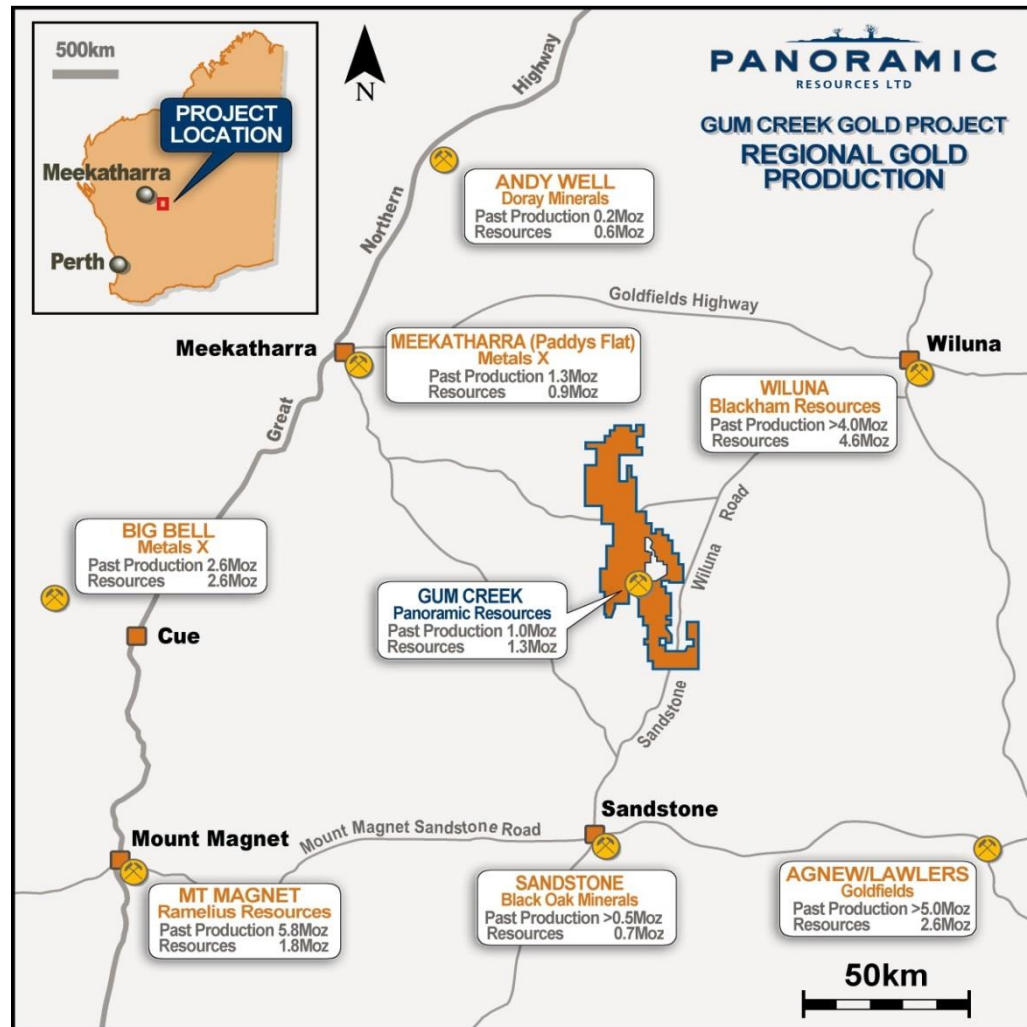
- Large tenement package ~724km² covering the Gum Creek Greenstone belt

Well Located

- Situated within the East Murchison Province of the Western Australian Archaean Yilgarn Craton which has a history of significant gold production

Good Structural Setting

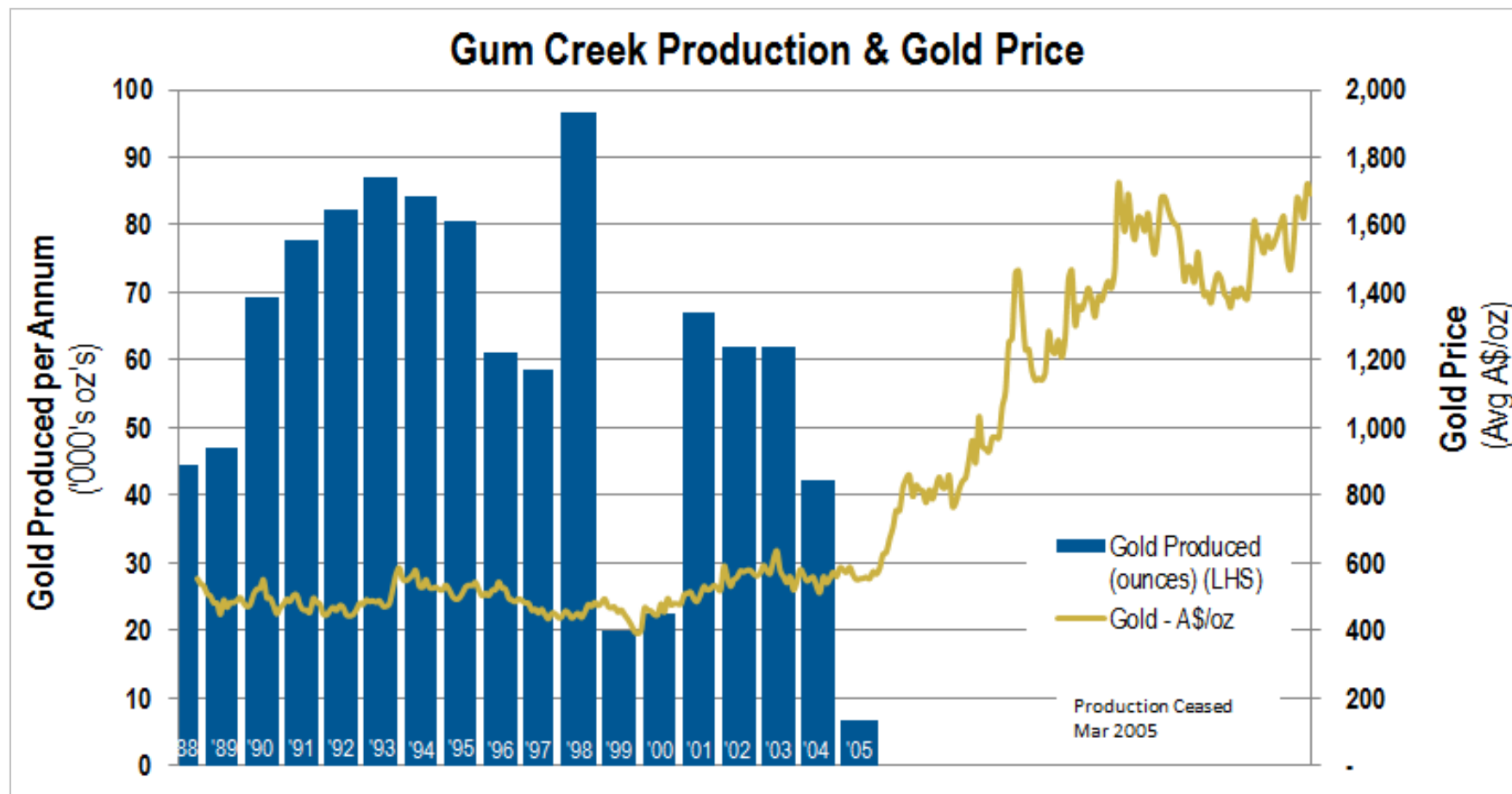
- Regionally persistent, deep seated shear pathways prospective for gold mineralisation



Gum Creek Gold Project location and regional gold production

*Refer to Resources Table in Appendix Section

Historical Production >1Moz between 1988 - 2005



Significant infrastructure

Extensive site infrastructure



Air Strip



Process Plant *



110 Person Village



**not in operation and would require substantial refurbishment*

Exploration – a number of new anomalies identified recently

New Data

- Fully integrated EM, gravity, magnetic data sets driving exploration strategies and generating new targets
- 14 priority target areas identified

Better targeting

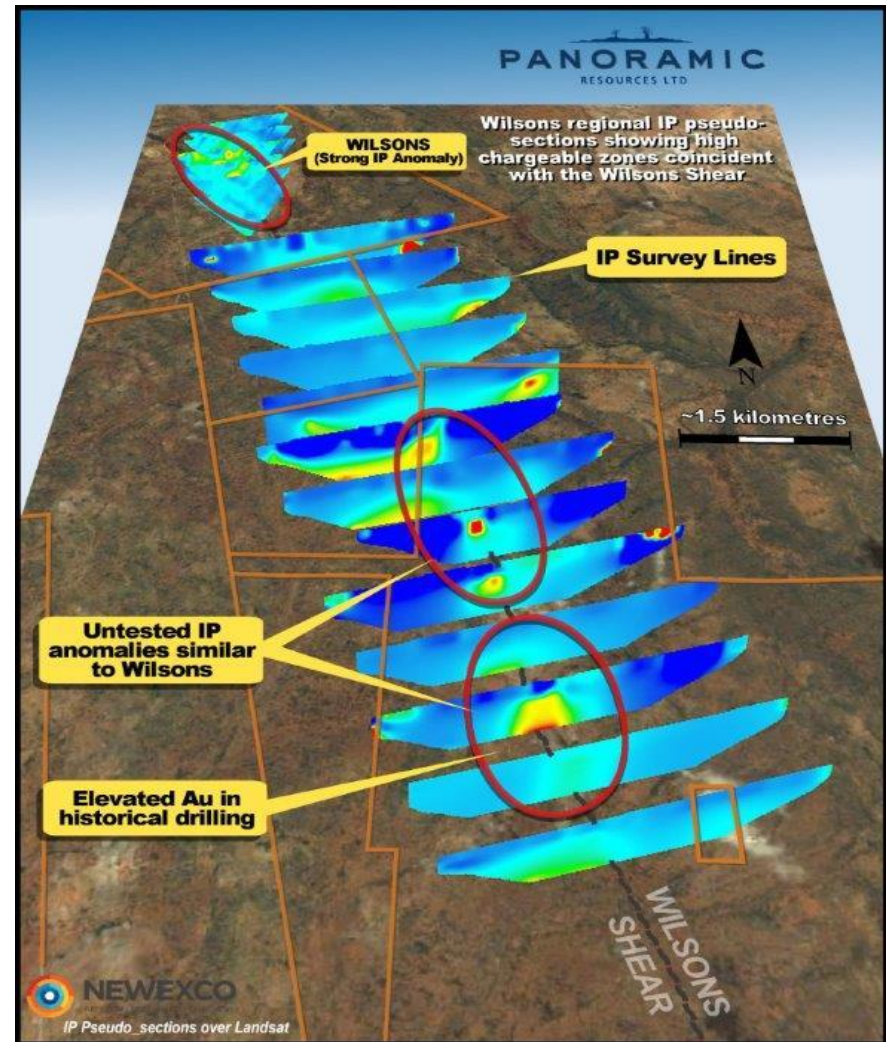
- Regional shears can be more accurately defined (ie. Wilsons)

Modern IP

- Wilsons shear and mineralisation clearly mapped

Exciting IP anomalies identified

- Two IP anomalies, coincident with Wilsons Shear, identified to the south of Wilsons



Why IPO?

Investment environment

- Favourable gold price and equity market

Value

- Undervalued inside Panoramic compared to peers (in our view)

Funding required

- Requires additional funds to expedite exploration and development studies

Significant exploration opportunities

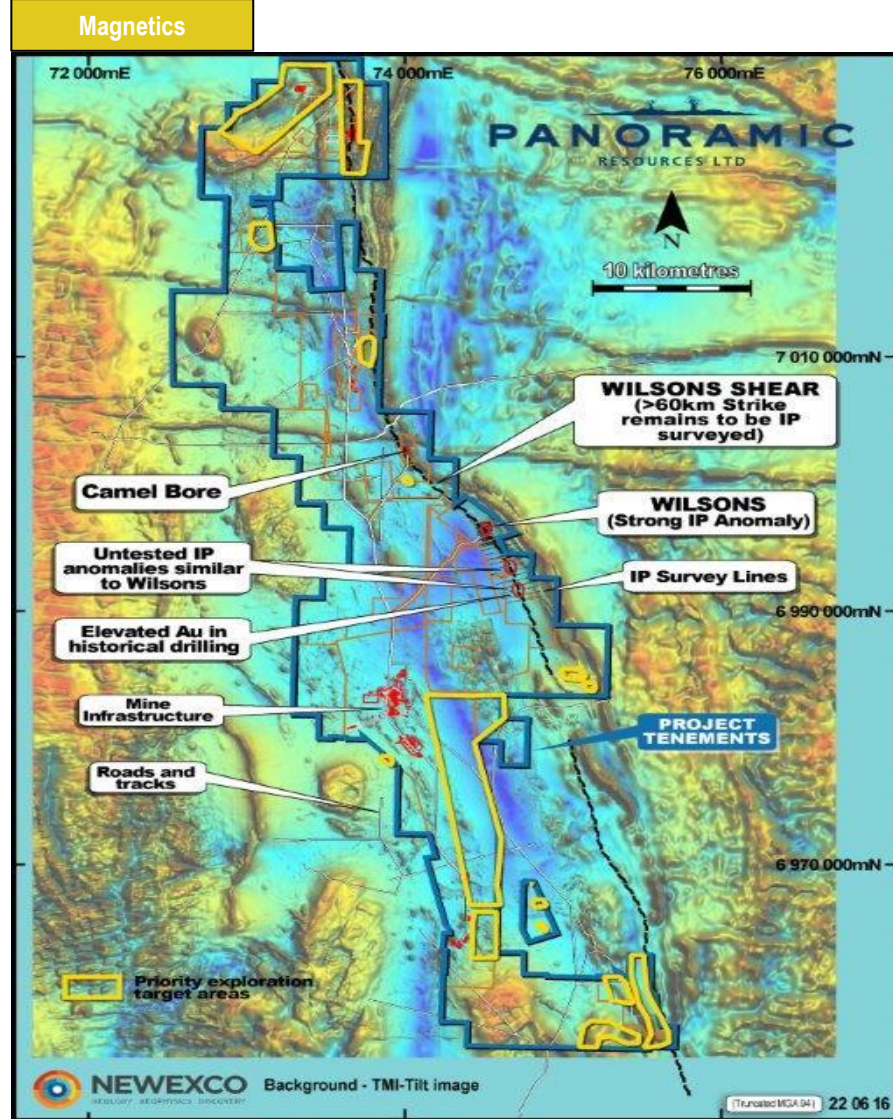
- IP drill targets along the Wilsons Shear

Free milling material

- Positive Scoping Study

Refractory option

- Recent processing breakthrough could provide a technical and commercial option for treating refractory material



IPO Update

Indicative Structure

- Value Gum Creek at \$15 million
- Raise \$15 million in new equity
- Prospectus offer with Panoramic shareholders having a priority right to shares

Broker

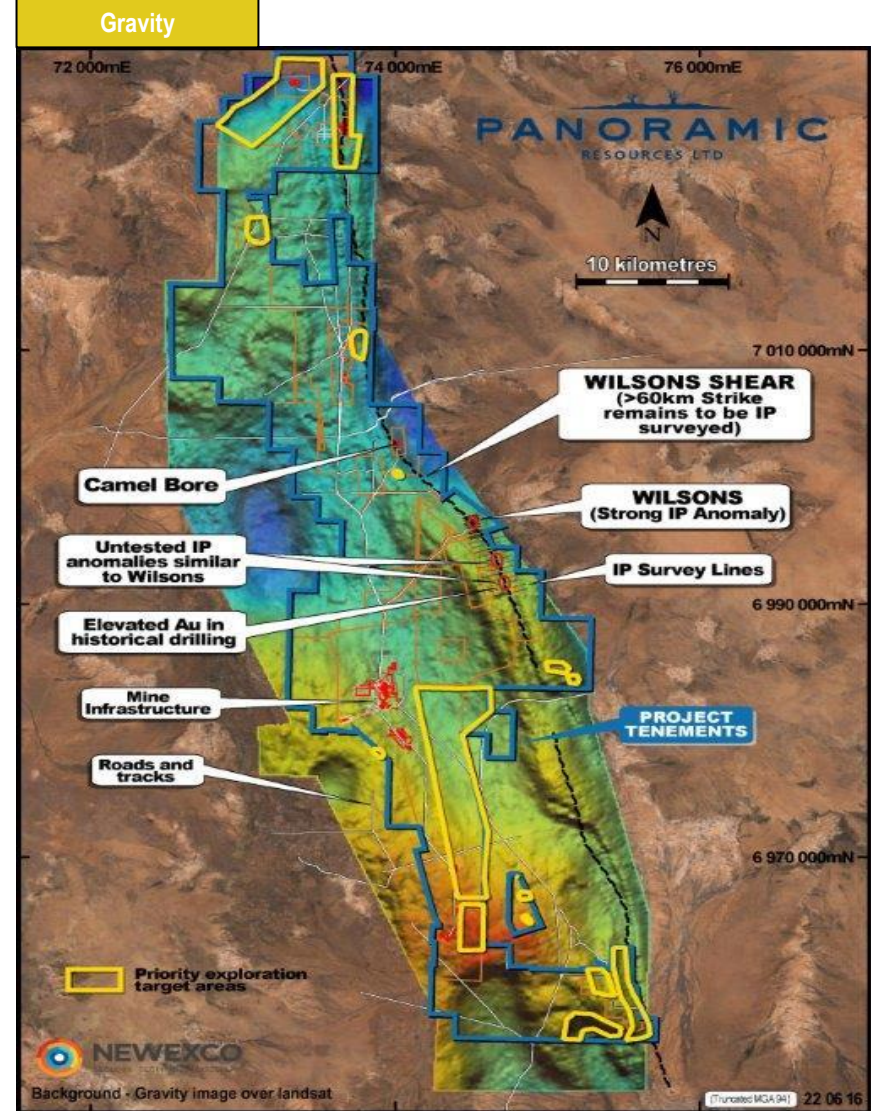
- Somers and Partners

Timing

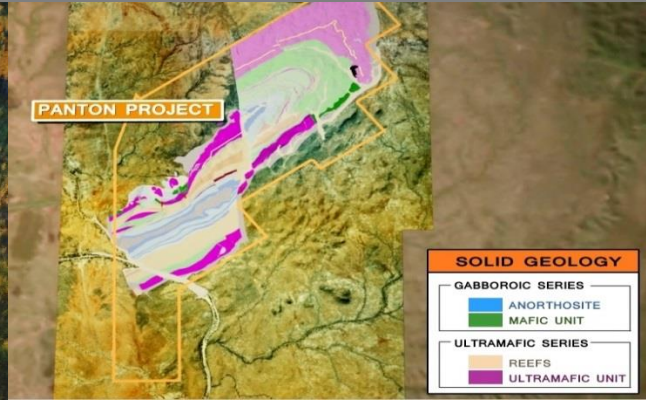
- Q4 2016

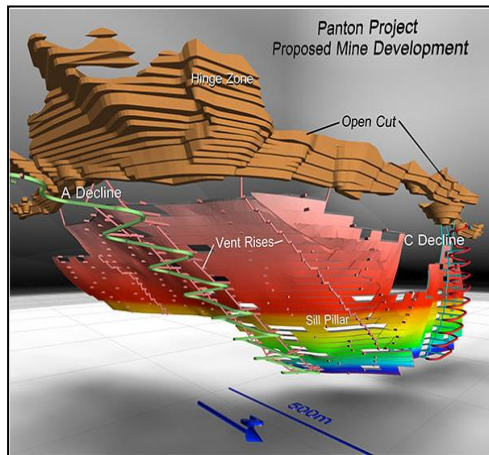
Priority Activities post IPO

- Extension and infill drilling on existing Resources
- Follow up highly prospective exploration targets
- Advance development studies



PGM option





Panton

- Only 60km from Savannah

Resources*

- 2Moz of Pt+Pd

Feasibility Study by previous owner

- Open pit plus underground mining
- 600,000tpa throughput rate
- 83,000oz Pt+Pd+Au per year

Recent positive test work by Panoramic

- Improved recovery and concentrate grade
- Ore sorting

Thunder Bay North

- Located in Ontario, Canada

Resources*

- 0.7Moz of Pt+Pd

Rio earn in and JV option

- Consolidates Thunder Bay North Project (TBN) and Rio's Escape Lake Project (EL)

Rio Farm-in

- **Earn in Option** - Rio spending up to C\$20M (minimum C\$5M) over 5½ years to earn a 70% interest in TBN

2017 Deliverables

SAFETY

No LTIs



GROWTH

Increase Nickel Reserves

RESOURCES

Continue to grow Savannah Resources



GOLD

Complete IPO of Gum Creek

Nickel Operations

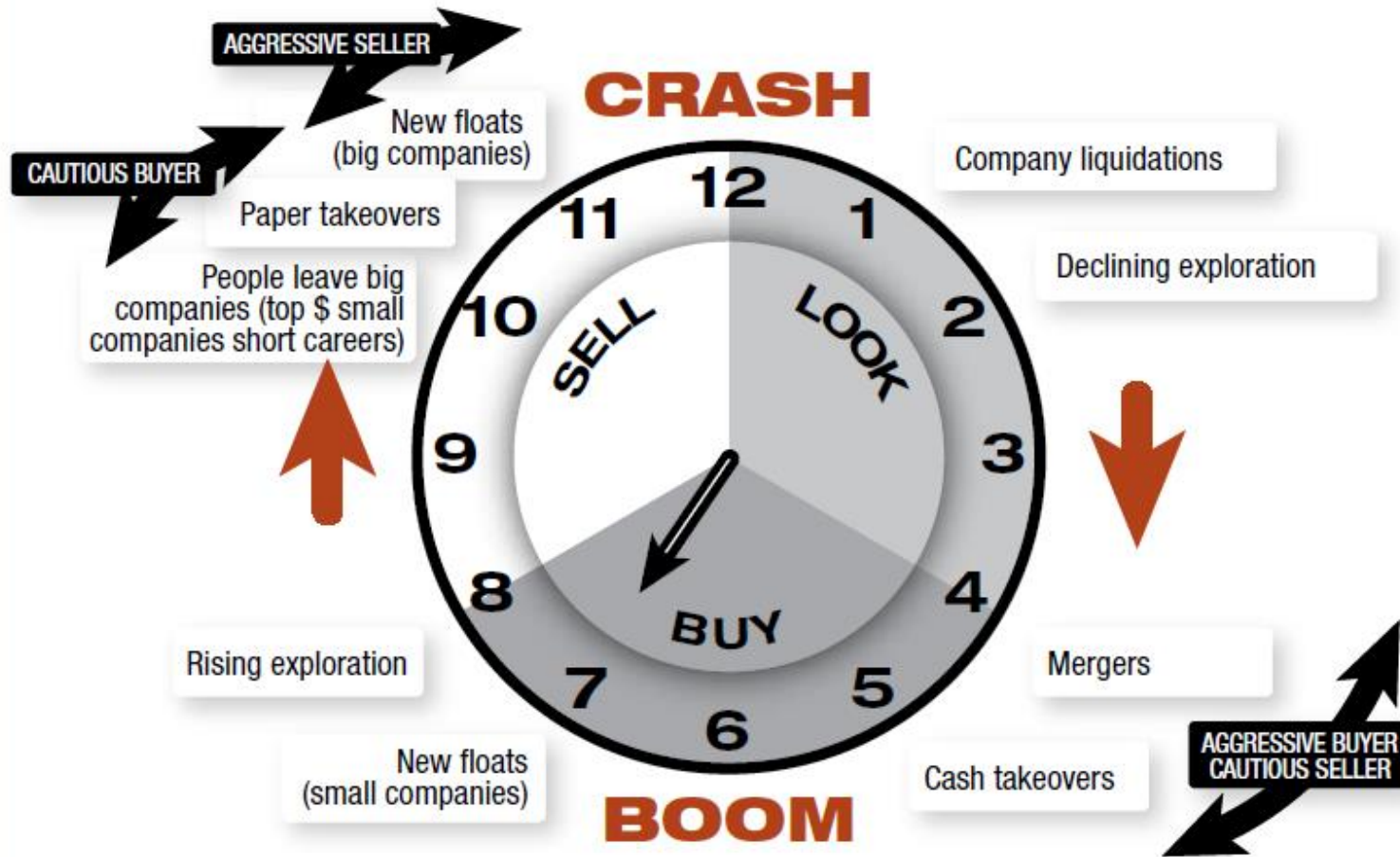
Complete Savannah feasibility & Lower Schmitz mining studies



PGMs

Advance both projects

Investment in Resources – Timing is right



Mission Statement

We strive to achieve excellence in all aspects of our business to provide long term capital growth and dividend return to our shareholders, a safe and rewarding work environment for our employees, and opportunities and benefits to the people in the communities we operate in.



Appendices



Note: further 2012 Edition JORC compliance tables are referenced in the PAN ASX announcement dated 30 September 2016



APPENDIX 1 - NICKEL - MINERAL RESOURCES AS AT 30 JUNE 2016

Resource	Equity	Metal	Date of Resource	JORC Compliance	Measured		Indicated		Inferred		Total		Metal Tonnes	
					Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	Tonnes	(%)		
Savannah Project														
Savannah (above 900)	100%	Nickel	Jun-16	2012	1,275,000	1.51	759,000	1.2			2,034,000	1.39	28,300	
		Copper				0.87		0.9				0.88	17,900	
		Cobalt				0.07		0.07				0.07	1,400	
Savannah (below 900)	100%	Nickel	Jun-16	2012	780,000	1.64	125,000	1.72			905,000	1.65	14,900	
		Copper				0.76		0.75				0.76	6,900	
		Cobalt				0.1		0.09				0.1	900	
Savannah North	100%	Nickel	Jun-16	2012			4,780,000	1.51	2,103,000	1.77	6,883,000	1.59	109,600	
		Copper						0.72		0.88		0.77	52,900	
		Cobalt						0.11		0.12		0.11	7,800	
Copernicus (O/P)	100%	Nickel	Jun-15	2012	132,000	0.97					132,000	0.97	1,300	
		Copper				0.52						0.52	700	
		Cobalt				0.03						0.03	0	
Copernicus (U/G)	100%	Nickel	Jul-10	2004			508,000	1.3	25,000	0.98	532,000	1.29	6,800	
		Copper						0.91		0.69		0.9	4,800	
		Cobalt						0.05		0.02		0.05	300	
Lanfranchi Project														
Cruikshank	100%	Nickel	Apr-11	2004			2,018,000	1.42	611,000	0.79	2,629,000	1.28	33,600	
Deacon			Mar-14	2012	89,000	2.99			134,000	1.7	224,000	2.22	5,000	
Gigantus			Jul-07	2004					652,000	1.63	652,000	1.63	10,600	
Helmut South			May-14	2012										
Helmut South Ext			Apr-14	2012	21,000	4.54	29,000	2.87			50,000	3.59	1,800	
John			Jul-07	2004					291,000	1.42	291,000	1.42	4,100	
Lanfranchi			Apr-14	2012	40,000	4.12	55,000	4.4	63,000	3.49	158,000	3.97	6,300	
Martin			Feb-12	2012			47,000	3.58	7,000	4.16	54,000	3.66	2,000	
McComish			Jul-07	2004					992,000	1.49	992,000	1.49	14,800	
Metcalfe			Jan-14	2012			280,000	1.99	111,000	1.35	391,000	1.81	7,100	
Schmitz			Jul-13	2012	30,000	4.92	23,000	3.93	16,000	2.95	69,000	4.14	2,900	
Lower Schmitz			Mar-16	2012			51,000	5.6	79,000	4.8	131,000	5.11	6,700	
Winner			Jul-11	2004			14,000	4.4			14,000	4.4	600	
Total (Equity)		Nickel												256,300
		Copper												83,200
		Cobalt												10,400

Note: Savannah Resources upgraded – refer ASX Announcement 24 August 2016

QUALIFYING STATEMENT AND NOTES

Notes:

- *Figures have been rounded and therefore may not add up exactly to the reported totals*
- *All resources are inclusive of reserves*
- *Savannah Project Resource cutoff grade is 0.50% Ni*
- *Copernicus Project Resource cutoff grade is 0.50% Ni*
- *Lanfranchi Project Resource cutoff grade is 1.00% Ni*

Competent Person Statement

The information that relates to Mineral Resources is based on information compiled by or reviewed by Paul Hetherington (MAusIMM) for the Savannah Project Resource and Copernicus Project Resource and Bradley Robinson (MAusIMM) for the Lanfranchi Project Resources. The aforementioned were formerly full-time employees of Panoramic Resources Limited. The aforementioned have 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 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The aforementioned consent to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information that relates Mineral Resources at Lower Schmitz is based on information compiled by Mr Paul Payne. Mr Payne is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and consultant working for Payne Geological Services Pty Ltd (PayneGeo). Mr Payne 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 Payne consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

APPENDIX 2 - NICKEL - ORE RESERVE AS AT 30 JUNE 2016

Reserve	Equity	Metal	Date of Reserve	JORC Compliance	Proven		Probable		Total		Metal Tonnes
					Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah Project											
Above 900 Fault	100%	Nickel	Jun-16	2012	1,365,000	1.15	194,000	1.24	1,558,000	1.16	18,100
		Copper				0.66		1.28		0.74	11,500
		Cobalt				0.06		0.07		0.06	900
Below 900 Fault	100%	Nickel	Jun-16	2012							
		Copper									
		Cobalt									
Copernicus Open Pit	100%	Nickel	Jun-16	2004							
		Copper									
		Cobalt									
Lanfranchi Project											
	100%	Nickel									
Deacon			Jun-16	2012			42,000	2.67	42,000	2.67	1,100
Metcalfe			Jun-16	2012			113,000	1.57	113,000	1.57	1,800
Lanfranchi			Jun-16	2012			11,000	2.56	11,000	2.56	300
Schmitz			Jun-16	2012			15,000	2.96	15,000	2.96	500
Helmut Sth Ext			Jun-16	2012			27,000	2.19	27,000	2.19	600
Total (Equity)		Nickel									22,300
		Copper									11,500
		Cobalt									900

QUALIFYING STATEMENT AND NOTES

Notes:

- *Figures have been rounded and therefore may not add up exactly to the reported totals*
- *All reserves are inclusive of resources*
- *Savannah Project Reserve cutoff grade is 0.80% Ni*
- *Lanfranchi Project Reserve cutoff grade is 1.00% Ni except for airleg mining which is 2.00% Ni*

Competent Person Statement

Information relating to Ore Reserves has been compiled by or reviewed by Lilong Chen (MAusIMM). The aforementioned is a full-time employee of Panoramic Resources Limited. The aforementioned has sufficient experience that is relevant to the style of mineralisation and type of 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. The aforementioned consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

APPENDIX 3 - GOLD - MINERAL RESOURCES AS AT 30 SEPTEMBER 2016

Resource	Resource Date	Cut-off grade (g/t Au)	Mineralisation Type	Indicated		Inferred		Total		Contained Gold (oz)
				Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
Open Pit Resources										
Swan OC	Jun-15	0.7	Free Milling	2,250,000	2.57	990,000	2.36	3,240,000	2.51	261,100
Heron South	Aug-16	0.5	Refractory	1,135,000	2.20	2,000	1.32	1,137,000	2.20	80,400
Howards	Jul-13	0.4	Free Milling	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
Specimen Well	Aug-16	0.5	Free Milling			361,000	2.00	361,000	2.00	23,200
Toedter	Aug-16	0.5	Free Milling			690,000	1.54	690,000	1.54	34,200
Shiraz	Jul-13	0.4	Refractory	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
Underground Resources										
Swan UG	Jun-15	4.0/6.0	Free Milling	207,000	8.71	77,000	11.25	284,000	9.40	85,800
Swift UG	Jun-15	6.0	Free Milling			46,000	10.25	46,000	10.25	15,200
Kingfisher UG	Aug-16	3.5	Free Milling			391,000	6.14	391,000	6.14	77,200
Wilsons UG	Jul-13	1.0	Refractory	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
Total				13,454,000	2.17	3,849,000	2.53	17,303,000	2.25	1,250,100

QUALIFYING STATEMENT AND NOTES*

Competent Persons Statement

The information that relates to the Swan OC, Swan UG, Swift UG, 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 between 2012 and 2016. Dr Carras has sufficient experience that is relevant to the style of mineralisation and type of 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. Dr Carras consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information that relates to the Heron South, Howards, Specimen Well, Shiraz and Toedter Mineral Resources is based on information compiled by or reviewed by Andrew Bewsher (AIG). Mr Bewsher is a full time employee of BM Geological Services and has sufficient experience that is relevant to the style of mineralisation and type of 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 Bewsher consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information that relates to the Wilsons Mineral Resource is based on information compiled by or reviewed by Ben Pollard (AIG, AusIMM). Mr Pollard is a full time employee of BM Geological Services and has sufficient experience that is relevant to the style of mineralisation and type of 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 Pollard consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

APPENDIX 4 - PLATINUM GROUP METALS - MINERAL RESOURCES AS AT 30 JUNE 2016

Panton PGM Project

Resource	Equity	Date of Resource	JORC Compliance	Tonnage	Grade					Metal (oz)	
					Pt (g/t)	Pd (g/t)	Au (g/t)	Ni (%)	Cu (%)	Pt (oz ,000)	Pd (oz ,000)
Top Reef	100%	Mar-12	2012								
Measured				4,400,000	2.46	2.83	0.42	0.28	0.08	348	400
Indicated				4,130,000	2.73	3.21	0.38	0.31	0.09	363	426
Inferred				1,560,000	2.1	2.35	0.38	0.36	0.13	105	118
Middle Reef	100%	Mar-12	2012								
Measured				2,130,000	1.36	1.09	0.1	0.18	0.03	93	75
Indicated				1,500,000	1.56	1.28	0.1	0.19	0.04	75	62
Inferred				600,000	1.22	1.07	0.1	0.19	0.05	24	21
Total (Equity)				14,320,000	2.19	2.39	0.31	0.27	0.08	984	1,081

QUALIFYING STATEMENT AND NOTES

Cross references to previous market announcements:

refer ASX announcement dated 30 September 2015 titled "Mineral Resources and Ore Reserves at 30 June 2015"

No New Information or Data

The Panton Mineral Resource estimates tabled above have been previously reported, and the relevant market announcements cross referenced. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

APPENDIX 5 - PLATINUM GROUP METALS - MINERAL RESOURCES AS AT 30 JUNE 2015

Thunder Bay North

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 (oz ,000)	Pd (oz ,000)
Open Pit	100%	Jan-11	2004												
Indicated				8,460,000	1.04	0.98	0.04	0.07	1.5	0.25	0.18	0.014	2.13	283	267
Inferred				53,000	0.96	0.89	0.04	0.07	1.6	0.22	0.18	0.014	2	2	2
Underground	100%	Feb-12	2004												
Indicated				1,369,000	1.65	1.54	0.08	0.11	2.6	0.43	0.24	0.016	3.67	73	68
Inferred				472,000	1.32	1.25	0.06	0.09	2.1	0.36	0.19	0.011	2.97	20	19
Total [Equity]				10,354,000										377	355

QUALIFYING STATEMENT AND NOTES

Notes - Open Pit Resource:

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 platinum-equivalency formula is based on assumed metal prices and overall recoveries. The Pt-Eq formula is: $Pt-Eq\ g/t = Pt\ g/t + Pd\ g/t \times 0.3204 + Au\ g/t \times 0.6379 + Ag\ g/t \times 0.0062 + Cu\ g/t \times 0.00011 + Total\ Ni\ g/t \times 0.000195 + Total\ Co\ g/t \times 0.000124 + Rh\ g/t \times 2.1816$. 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%.

QUALIFYING STATEMENT AND NOTES CONT.

Notes - Underground Resources:

The underground mineral resource is reported at a cut-off grade of 1.94g/t Pt-Eq. The Pt-Eq formula is: $Pt-Eq\ g/t = Pt\ g/t + Pd\ g/t \times 0.2721 + Au\ g/t \times 0.3968 + Ag\ g/t \times 0.0084 + Cu\ g/t \times 0.000118 + Sulphide\ Ni\ g/t \times 0.000433 + Sulphide\ Co\ g/t \times 0.000428 + Rh\ g/t \times 2.7211$. 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%. 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: $NiSx = Ni - (MgO\% \times 60.35 - 551.43)$. The regression formula for Co in sulphide (CoSx) is: $CoSx = Co - (MgO\% \times 4.45 - 9.25)$.

Cross references to previous market announcements:

Open pit Resources – refer Magma Metals Limited (ASX:MMW) announcement dated 7 February 2011 titled “Positive Scoping Study for Thunder Bay North Project”

Underground Resources – refer Magma Metals Limited (ASX:MMW) announcement dated 23 February 2012 titled “Magma Metals Increases Mineral Resources at TBN to 790,000 Platinum-Equivalent Ounces”

No New Information or Data

The Thunder Bay North Mineral Resource estimates tabled above have been previously reported, and the relevant market announcements cross referenced. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.