

vision  
commitment  
results



28 August 2012

ASX: PAN

## Panoramic 2011/12 Full Year Results

### Key Points

- Significant improvement in safety performance, **LTI Frequency Rate down from 8.21 to 3.69** over the 12 month period
- **Net cash flow of \$38.2 million** from operations before tax, despite weaker nickel price and stronger A\$
- **Cash (including term deposits) and current receivables of \$79 million**
- **Total nickel production of 19,791 tonnes, a Group annual record**
- **Average Group payable nickel cash costs of A\$6.01/lb, down 4% y-o-y**
- Significant expenditure on capital investments (net of interest income) totalling \$76.1 million
- **Major acquisitions to build two new business divisions consistent with the Company's strategy of becoming a diversified miner**
  - PAN Gold – purchased the Wilsons orebody to add to the Gidgee resource base and a 70% interest in Mt Henry
  - PAN PGMs – acquired the Panton PGM Project and successful takeover of Magma Metals Limited to acquire the Thunder Bay North PGM Project
- **Net loss after tax of \$18.2 million**, primarily due to reduced revenue from the lower A\$ nickel price, costs associated with acquisitions, D&A charges and impairments on the carrying value of various investments
- While a **2c fully franked interim dividend was paid in March 2012**, the Board has elected not to pay a final dividend to maintain balance sheet flexibility

### Key Metrics:

Year Ended 30 June	2012	2011*	y-o-y
A\$ average cash nickel price	<b>A\$8.48/lb</b>	A\$11.01/lb	down 23%
Group nickel production (dmt)	<b>19,791t</b>	17,027t	up 16%
Total net revenue	<b>\$233.0M</b>	\$249.6M	down 7%
Payable nickel cash costs (A\$/lb)	<b>\$6.01</b>	\$6.25	down 4%
Cash flow from operating activities (before tax)	<b>\$38.2M</b>	\$61.5M	down 38%
EBITDA (and before impairment)	<b>\$38.9M</b>	\$83.8M	down 54%
Impairments /write-offs after tax	<b>\$7.2M</b>	\$5.5M	up 31%
Net profit/(loss) after tax	<b>(\$18.2M)</b>	\$20.6M	down 188%
Total equity	<b>\$307.5M</b>	\$303.1M	up 1%

\* restated

# Summary

Panoramic Resources Limited ("Panoramic") announces a full year net loss after tax of \$18.2 million. The combination of lower A\$ net sales revenue (down 23% y-o-y), due to the lower US\$ Ni price and stronger A\$, higher D&A charges (up 12% y-o-y), impairments (up 31% y-o-y) and increased corporate acquisition costs in comparison to FY2011 have more than offset the record Group nickel production. Importantly, the cash (including term deposits) and receivables position remains strong at **\$79 million**. Total assets were up 6% to **\$431.3 million** while Shareholders equity was up 1% to **\$307.5 million**.

**Table 1: Key Financial Indicators: Comparison of 2012, 2011 & 2010**

Year Ended 30 June	2012 1st Half	2012 2nd Half	2012 Full Year	2011 Full Year*	2010 Full Year
LME average cash nickel price	US\$9.16/lb	US\$8.34/lb	<b>US\$8.75/lb</b>	US\$10.89/lb	US\$8.81/lb
RBA average US\$:A\$ FX settlement rate	US\$1.0310	US\$1.0326	<b>US\$1.0319</b>	US\$0.9891	US\$0.8830
A\$ average cash nickel price	A\$8.88	A\$8.08	<b>A\$8.48</b>	A\$11.01	A\$9.98
Group nickel production (dmt)	9,613t	10,178t	<b>19,791t</b>	17,027t	17,458t
Group nickel sales (dmt)	9,341t	10,479t	<b>19,820t</b>	16,940t	17,519t
Commodity derivative hedging gains/(losses)	\$7.9M	\$9.9M	<b>\$17.8M</b>	(\$13.8M)	\$40.0M
Total net revenue (including interest income)	\$116.1M	\$116.9M	<b>\$233.0M</b>	\$249.6M	\$287.8M
EBITDA (and before impairment)	\$23.5M	\$15.4M	<b>\$38.9M</b>	\$83.8M	\$124.1M
Depreciation and amortisation (D&A)	\$23.6M	\$27.8M	<b>\$51.4M</b>	\$46.1M	\$52.7M
Profit/(loss) before tax and impairment	(\$0.7M)	(\$13.4M)	<b>(\$14.1M)</b>	\$36.3M	\$71.1M
Impairments and write-offs, before tax	\$4.1M	\$3.1M	<b>\$7.2M</b>	\$5.5M	(\$7.1M)
NPAT (and before impairment/write-offs)	(\$1.0M)	(\$10.0M)	<b>(\$11.0M)</b>	\$26.1M	\$51.2M
Impairments and write-offs, after tax	\$2.9M	\$4.3M	<b>\$7.2M</b>	\$5.5M	(\$5.0M)
Net profit/(loss) after tax	(\$3.9M)	(\$14.3M)	<b>(\$18.2M)</b>	\$20.6M	\$56.2M
Earnings/(loss) per share (EPS)	(1.9c)	(7.4c)	<b>(9.3c)</b>	10.0c	27.5c
Cash flow from operating activities, before tax	\$23.0M	\$15.2M	<b>\$38.2M</b>	\$61.5M	\$131.8M
Payments on P,P&E, dev't and exploration	\$38.4M	\$20.2M	<b>\$58.6M</b>	\$56.1M	\$34.0M
Net payments on investments / new projects	\$4.0M	\$14.8M	<b>\$14.8M</b>	\$14.0M	\$6.7M
Cash, term deposits and current receivables	\$96.5M	\$79.0M	<b>\$79.0M</b>	\$126.4M	\$158.3M
Total assets	\$412.3M	\$431.3M	<b>\$431.3M</b>	\$408.7M	\$416.8M
Total liabilities	\$111.0M	\$123.8M	<b>\$123.8M</b>	\$105.6M	\$125.7M
Total equity	\$301.3M	\$307.5M	<b>\$307.5M</b>	\$303.1M	\$291.1M
Return on equity (ROE)	(4%)	(11%)	<b>(15%)</b>	20%	55%
Dividend payment per share	2.0c	-	<b>2.0c</b>	6.0c	16.5c
Dividend pay-out ratio	-	-	<b>-</b>	60%	60%

\* restated



## Key Financial Points

- *The Balance Sheet* had cash and current receivables totaling **\$79 million** at 30 June 2012, maintaining Panoramic's strong financial position. With the successful acquisitions of Magma Metals, the Panton and Mt Henry Projects, the Wilsons Orebody and the resource upgrade at the Gidgee Project, the Company now has a significant nickel, gold and PGM resource base and a large and prospective exploration portfolio. The Company has no bank debt and ~\$10 million in finance equipment leases.
- *The Hedge Book* was ~**\$9 million** "in the money" at the year end, with 675t of nickel forward contracts to be delivered in FY2013 at an average price of **US\$12.00/lb** and 1,200t of nickel put options at an average price of US\$8.16/lb.
- *Net Sales Revenue (including interest)* of **\$233 million** was 7% lower than last year, mainly due to a combination of:
  - reduced sales margin from the fall in the US\$ nickel price over the year;
  - the strengthening of the A\$ to levels above parity against the US\$; and
  - negative quotational period price adjustments of \$2 million for Lanfranchi ore deliveries made in April, May and June 2011 that were required to be accounted for in FY2012.
- *Cash flow from Operating Activities (before tax)* totalled ~**\$38 million** for the year. Cash flow was lower in the second half of the year (\$15.2 million) due to the further weakness in the A\$ nickel price.
  - *Cost of Production* of **\$158 million** was higher than in FY2011 mainly due to an increase in variable costs as a result of the increased production and higher input costs for labour, power and consumables.
  - *Impairment of Equity Investments* of **\$5.3 million** was recognised during the year in relation to the fall in the share price of the Company's listed investments.
  - *Write-off* of \$1.9 million was booked in relation to the non-repayment of a loan to Thundelarra Exploration Ltd ("Thundelarra") on the Copernicus Nickel Project. Under the Copernicus JV agreement, Thundelarra elected in May 2012 not to repay the loan and instead to dilute its interest in the project from 40% to ~22%. Due to the current fair value of the project reflecting its care and maintenance status, \$1.9 million of the \$2.1 million was required to be written-off.
  - *Corporate and Marketing Costs* were up 15% y-o-y, largely as a result of one-off legal and advisory costs in relation to the project acquisitions undertaken in the second half of the year.
  - Significant cash outflows for FY2012, outside of normal operating and sustaining capital expenditure requirements, included:

**Table 2: Significant FY2012 Cash Payments**

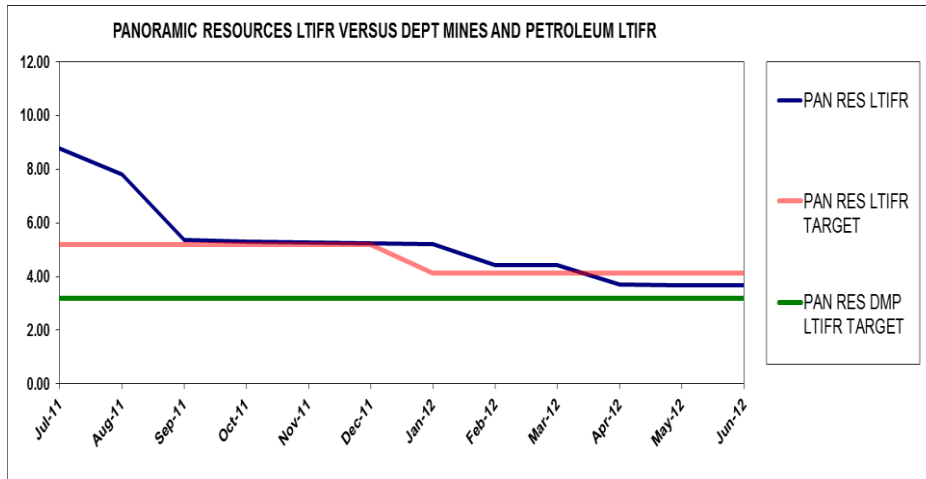
Items	\$ Million
Acquisition of the Panton PGM Project	5.3
Acquisition of the Wilsons Gold Project	8.0
Down payment on a 70% interest in the Mt Henry Gold Project	1.5
Equity placements in Hot Chili Limited	6.9
Exploration and feasibility activities at the Gidgee Gold Project	10.7
Savannah Lower Zone Ventilation Project	5.4
Construction of the new Wyndham concentrate storage shed	8.1
Final payment on the construction of the Lanfranchi village	2.0
Fully franked dividends paid to shareholders	8.3
<b>Total</b>	<b>56.2</b>



## Safety Performance

The 12 month moving average Group Lost Time Injury Frequency Rate (LTIFR) continues to trend down, and stood at 3.69 at the end of FY2012, down from 8.21 twelve months ago. Figure 1 shows the Group LTIFR in comparison to the Group's internal target of 4.14 and the LTIFR Target of 3.2 set by the WA Department of Mines and Petroleum (DMP).

**Figure 1 – Group Safety Statistics (12 month rolling average)**



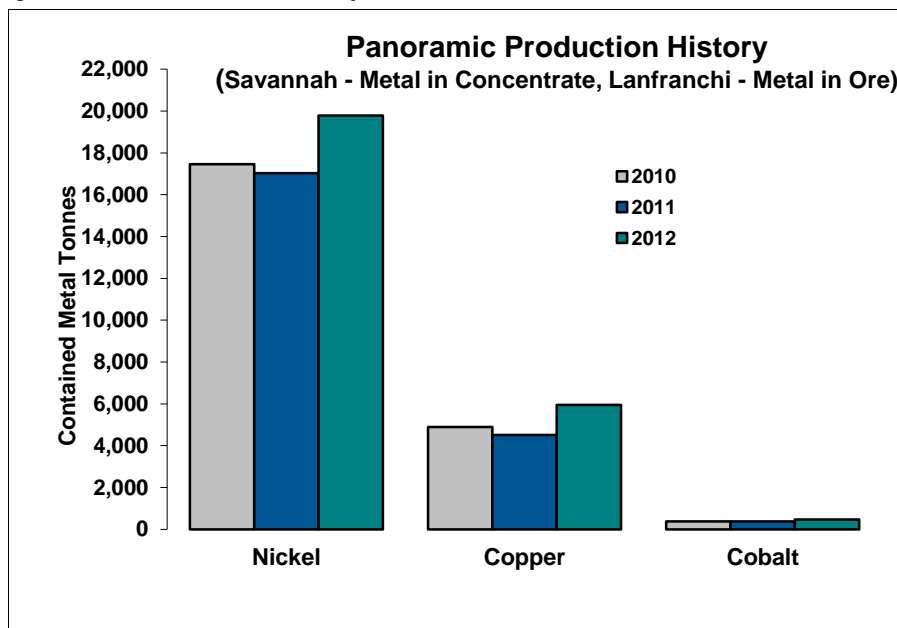
Safety related milestones achieved during the year included:

- Contractors on the sites achieved zero LTIFR over the last 12 months;
- 80% reduction in the number of lost days attributable to injury in comparison to 12 months ago; and
- Internal audits completed in the areas of guarding, confined space and safe work with energy.

## Group Production

Group contained metal production in FY2012 was 19,791 tonnes Ni, 5,954 tonnes Cu and 475 tonnes Co. Nickel production was a Company record and easily exceeded our internal budget for the year, which was an outstanding result.

**Figure 2 – Metal Production History**







## Savannah Project

- 661,979 tonnes ore milled at 1.52% Ni for a total of **8,633 tonnes Ni**, 4,987 tonnes Cu and 475 tonnes Co in concentrate.
- Ni recovery averaged 86%, the same as in FY2011, remains well above the original feasibility study recovery of 78%.
- Ni in concentrate was 10% above our internal budget due to a combination of:
  - Higher than budgeted milled nickel hedge grade; and
  - Equipment availability at or above forecast levels.
- Commencement of the Savannah Lower Zone Ventilation Project (raise bore and fan).
- Completion of the new concentrate storage shed in Wyndham.

## Lanfranchi Project

- 464,188 tonnes of ore mined containing **11,158 tonnes Ni** and 967 tonnes Cu
- Ni in ore production achieved our internal budget highlighting:
  - Consistent average delivered ore grade to the Kambalda concentrator (2.40% compared to 2.45% last year);
  - Improved delivery of paste underground in comparison to last year; and
  - Equipment availability at or above forecast levels.
- Completion of the on-site Lanfranchi accommodation village.

## Gidgee Gold Project

- Acquired the Wilsons Orebody, which is on a granted mining lease contiguous with Panoramic's Gidgee tenements, for \$8 million.
- Announced a **63% upgrade in gold Resources at Gidgee to 1.05Moz (including Wilsons)** (refer to Appendix 1).



**Gidgee Open Pit – Aerial View**



- Released the **August 2012 Scoping Study**, the key points being:
  - Initial mine life - seven years;
  - Mill throughput - 1.05Mtpa;
  - Gold produced - 606,000oz;
  - Average annual gold production of 87,000oz; and
  - Average operating cost of approximately \$870/oz.
- **Gidgee Project now moves to the Pre-Development Phase, targeting production mid-2014.**

## Mt Henry Gold Project

- Acquired a 70% interest in the Mt Henry Project for \$5 million and 14 million shares in Panoramic.
- The Project contains **combined Resources of 1.46Moz gold; Panoramic's equity share is 1.02Moz gold** and multiple exploration targets over a 135km<sup>2</sup> contiguous tenement package (*refer to Appendix 1*).
- Panoramic has commenced a Bankable Feasibility Study to determine:
  - Optimal mining and milling rates;
  - Optimal process flow sheet design;
  - Estimated capital and operating costs;
  - Environmental, cultural and heritage requirements; and
  - Approvals and construction timetable.

## Panton Project

- Purchased the Panton PGM Project from Platinum Australia Limited (ASX: PLA) for \$5.25 million.
- Panton is a significant PGM project with Resources of 1.0Moz Pt and 1.1Moz Pd (*refer to PLA's ASX announcement on 20 March 2012*), located in close proximity to Panoramic's Savannah operations in the Kimberley region of Western Australia.
- Panoramic plans to undertake a review of the previous studies (the 2003 Bankable Feasibility Study and the 2012 Review) to determine the most appropriate path to production.

## Thunder Bay North Project

- Panoramic successfully completed the off-market takeover of Magma Metals Limited ("Magma") in June 2012.
- Magma's principal asset, the Thunder Bay North (TBN) Project, is located in Ontario, Canada and contains a resource of 10.3Mt @2.4g.t Pt-Eq (*refer to Appendix 3*).
- Magma completed a Preliminary Economic Evaluation on TBN in March 2011.
- Panoramic plans to continue the TBN optimisation work commenced by Magma and will continue with regional exploration programs in the Thunder Bay area looking for new sulphide targets within the Mid-Continent Rift



## Exploration Activities during FY2012

### Savannah & Kimberley Regional

- The first drill hole of a 20,000m drilling program designed to test a series of geophysical conductors associated with the offset position of the Savannah Intrusion below the 900 Fault intersected 9.7m of massive sulphide mineralisation. Assay results are still pending.

### East Kimberley JV (Panoramic earning 61%)

- Processing and interpretation of the East Kimberley JV regional electromagnetic (EM) surveys data was completed and numerous target areas identified. A program of ground EM surveying was undertaken to refine these targets for drill testing.

### Lanfranchi Project

- New nickel mineralisation (the Jury-Metcalf Zone) was discovered adjacent to the Schmitz Channel.
- Drilling from the new hanging wall drill drive, testing the down-plunge extension of the Lanfranchi orebody, intersected broad zones of strong matrix and sulphide mineralisation.
- A drilling program to test the significant EM conductors down-plunge at Deacon, intersected significant mineralisation.

### Gidgee Project

- Drilling intersected high-grade gold beneath the Heron South, Swift, Swan Bitter and Psi orebodies.
- Significant Resource upgrade to 1.05Moz of gold released during F2012.
- Resource upgrades at Howards and Heron South expected in Q3 2012.

### Other Projects - Australia

- Cowan – limited field activity continued on the Cowan tenements with targets remaining to be evaluated and drill tested.

### Other Projects - Overseas

- Drake Alliance – solid progress was made during the year on the alliance with Drake Resources Limited to identify, explore and develop base and precious metal opportunities across Scandinavia. In addition to the testing of high priority Cu-Zn targets from an airborne electromagnetic (VTEM) survey in Finland, Panoramic agreed to establish three new joint ventures to explore for copper-rich massive sulphide mineralisation in Norway.

## Going Forward

### Safety

The safety, health and wellbeing of all the employees and contractors is the foundation of the Company's values. At Panoramic we continually seek improvements in safety performance and in FY2013 the focus will be on:

- A revised OHS Improvement Planning Framework to be implemented at both nickel operations;
- Roll-out of the Board approved 2012 Panoramic Risk Management Guideline;
- Revise and improve Incident Management procedures and investigation techniques to effectively align with Group Risk and Hazard Management processes and procedures;
- Ongoing work in Principal Hazard Management systems and structures in response to the National Harmonisation agenda;
- Develop and roll-out safety critical hazard awareness training packages; and
- Implement the Group Health and Hygiene Improvement Plan.

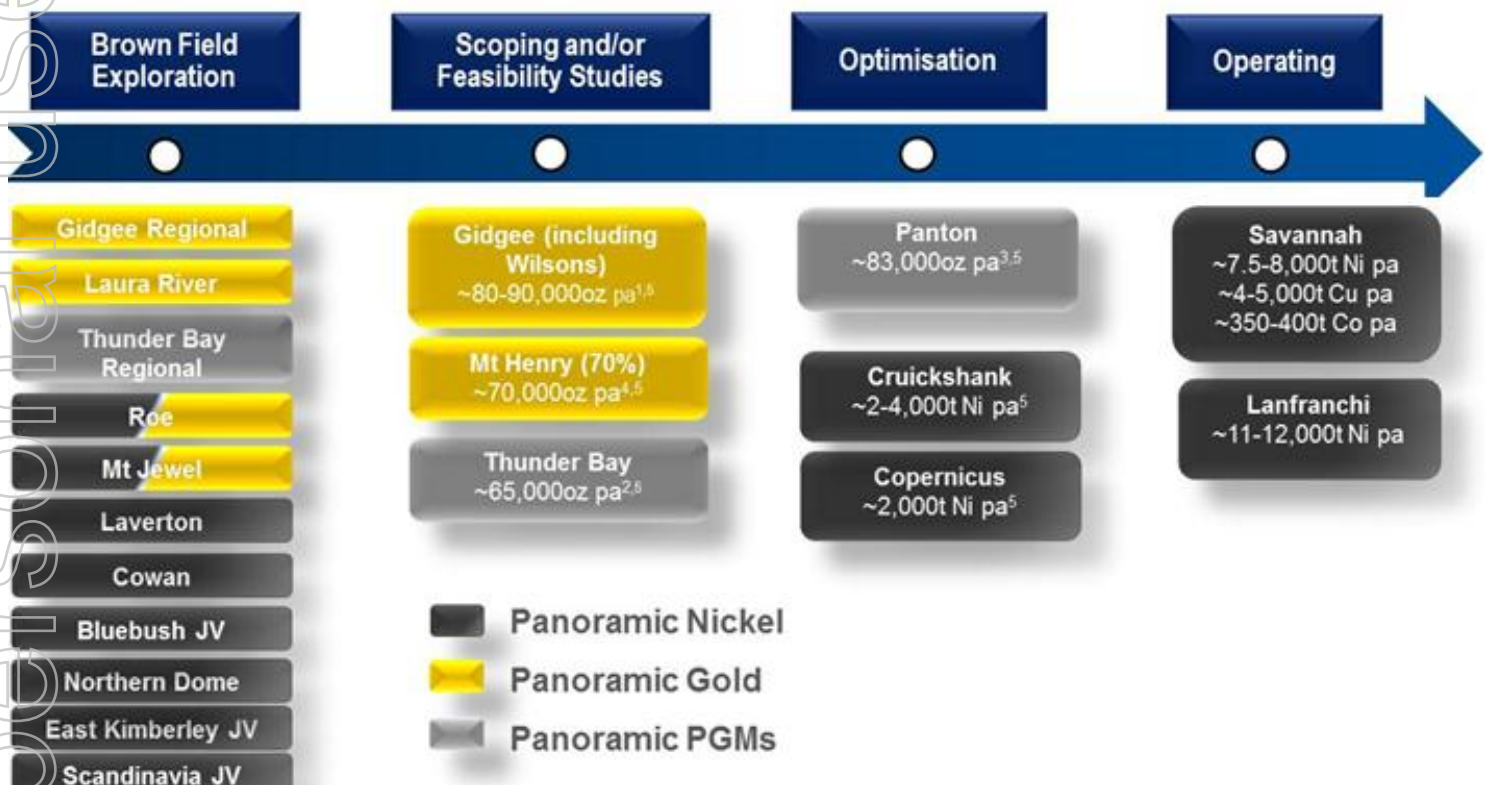




## General

The Board of Panoramic remains cautious in relation to the short term outlook for the world economy and therefore commodity prices. The expectation, however, is for improved business conditions going forward. The Board and management are committed to ensuring our nickel operations remain competitive in this difficult environment, whilst at the same time, growing the Company in accordance with our 10 Year Plan, which is to:

- **Improve our safety culture** so every employee believes that safety is our most important value in line with our safety mantra: Vision, Commitment, Results;
- **Optimise our metal production** to maximise our margins;
- **Grow** the existing resource and reserve base to extend the mine life of our operations;
- **Maintain dividend payments;** and
- **Acquire and develop additional assets** to become a diversified mining house and an ASX Top 100 Company.



## Exploration

Panoramic is planning to spend approximately \$15 million in FY2013 on various exploration programs across our operations and exploration portfolio, being focused on adding to Panoramic's already significant nickel, gold and PGMs resource base by:

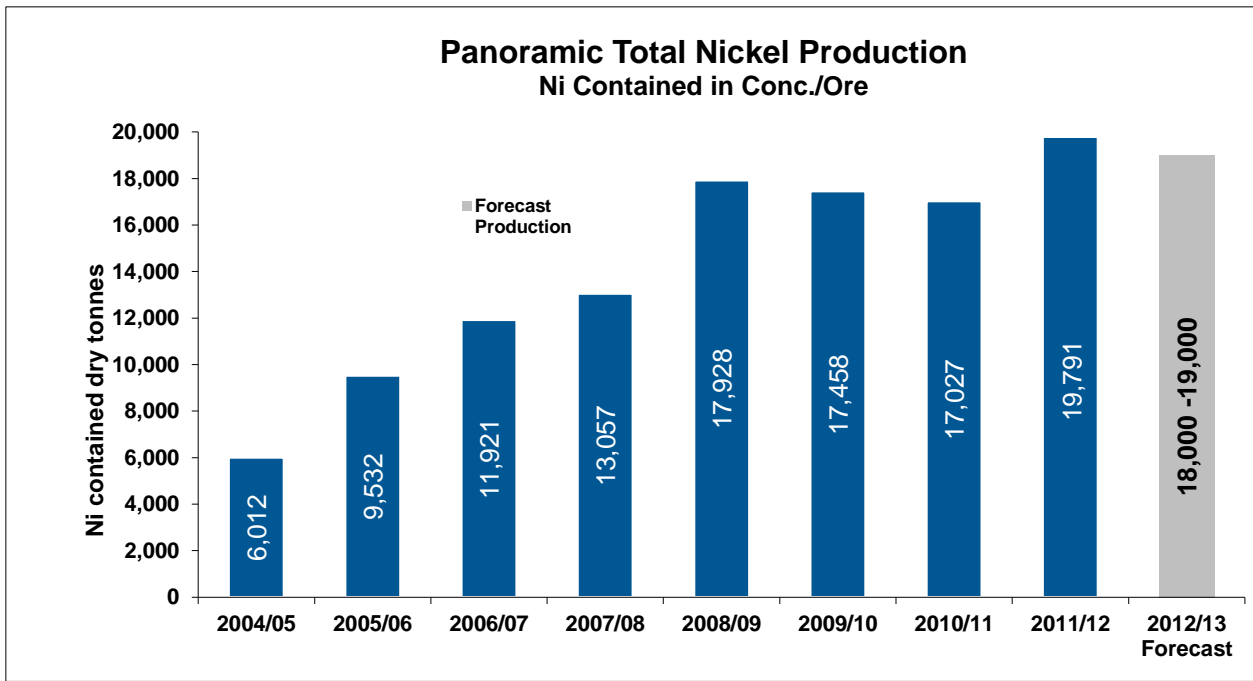
- Continuing exploration activities at the Gidgee Project;
- Drill testing the strong EM response below the 900m level at Savannah to test depth extensions of the orebody;
- Drill testing the strong EM conductors identified on the East Kimberley JV tenements;
- Drilling down plunge of the Deacon, Helmut South, Schmitz, and Lanfranchi orebodies;
- Continuing step out drilling on the Thunder Bay North Project and regional exploration in the Thunder Bay area;
- Continuing to support Drake Resources in our strategic alliance for base and precious metals in Scandinavia.





## FY 2013 Production Guidance

As previously advised, the production guidance for the combined operations for FY2013 is in the range of 18,000-19,000 tonnes nickel contained



**Notes:**

1. Savannah production is based on nickel in concentrate
2. Lanfranchi production is based on nickel in ore
3. FY2013 Production Forecast is based on Savannah and Lanfranchi production only

## 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 a record 19,791t of nickel contained in FY2012 and is forecasting to produce between **18,000 and 19,000t** of nickel in FY2013. Panoramic is an S&P/ASX Top 200 Company with a strong balance sheet, minimal bank debt and a growing nickel, gold and PGMs resource base, employing more than 500 people (including contractors).

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic recently purchased the high-grade Wilsons Project located within the Gidgee tenement package as well as a 70% interest in the Mt Henry Gold Project. Panoramic's Gold Resources now contain 2.07M oz of gold. Panoramic released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee and has commenced a Bankable Feasibility Study on the Mt Henry Project.

The Company has recently expanded into Platinum Group Metals (PGMs) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley, which contains approximately 1.0Moz of Pt and 1.1Moz of Pd in Resource. Following the takeover of Magma Metals, Panoramic also owns the Thunder Bay North PGM Project in northern Ontario, Canada which contains approximately 0.4Moz Pt and 0.4Moz Pd and a suite of exploration projects for gold and base metals in Western Australia.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining house in the S&P/ASX Top 100 Index.

**For further information contact:**  
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**+61 8 9225 0999**



## Competent Persons Disclosure – Exploration Results

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 2004 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.

Additional Competent Persons disclosures are given in Appendix 2

### Appendix 1 – Panoramic Gold Project(s) Resources (Au)

Resource	Equity	Date of resource	Measured		Indicated		Inferred		Total		Contained Metal	
			Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Tonnes	Grade g/t Au	Ounces of Au	
<b>Gidjee Project</b>		<b>100%</b>										
<b>Open Pit Resources</b>												
Swan Bitter		Jun-12	-	-	3,399,000	2.40	327,000	3.51	3,726,000	2.49	298,600	
Heron South		Jun-12	-	-	383,000	3.05	330,000	2.13	713,000	2.62	60,100	
Howards		Jun-12	-	-	530,000	1.59	1,313,000	1.52	1,843,000	1.54	91,300	
Specimen Well		Jun-12	-	-	289,000	2.06	72,000	1.79	361,000	2.00	23,200	
Toedter		Jun-12	-	-	-	-	661,000	1.62	661,000	1.62	34,400	
Eagles Peak		Mar-06	-	-	13,000	3.46	-	-	13,000	3.46	1,400	
Orion		Mar-06	-	-	22,000	3.04	-	-	22,000	3.04	2,200	
Deep South		Mar-06	-	-	20,000	3.02	-	-	20,000	3.02	1,900	
<b>Sub total</b>			-	-	<b>4,656,000</b>	<b>2.35</b>	<b>2,703,000</b>	<b>1.87</b>	<b>7,359,000</b>	<b>2.17</b>	<b>513,100</b>	
<b>Underground Resources</b>												
Swan Bitter		Jun-12	-	-	207,000	8.71	125,000	9.02	332,000	8.83	94,200	
Swift		Jun-12	-	-	-	-	72,000	9.23	72,000	9.23	21,400	
Omega		Mar-06	-	-	31,000	9.20	-	-	31,000	9.20	9,200	
Kingfisher		Mar-06	-	-	390,000	6.80	-	-	390,000	6.80	85,300	
Wilsons		Aug-08	-	-	921,000	7.25	535,000	6.42	1,457,000	6.95	325,400	
<b>Sub total</b>			-	-	<b>1,549,000</b>	<b>7.37</b>	<b>732,000</b>	<b>7.14</b>	<b>2,282,000</b>	<b>7.30</b>	<b>535,500</b>	
<b>Mt Henry Project</b>		<b>70%</b>										
Selene		Feb-08	-	-	8,243,000	1.59	2,183,000	1.44	10,426,000	1.56	522,500	
Mt Henry		Sep-09	-	-	4,112,000	1.93	3,569,000	1.76	7,680,000	1.85	457,100	
North Scotia		Feb-09	-	-	150,000	5.2	241,000	2.17	391,000	3.33	42,000	
<b>Sub total</b>			-	-	<b>12,505,000</b>	<b>1.75</b>	<b>5,993,000</b>	<b>1.66</b>	<b>18,497,000</b>	<b>1.72</b>	<b>1,021,600</b>	
<b>Total*</b>			-	-	<b>18,710,000</b>	<b>2.36</b>	<b>9,429,000</b>	<b>2.14</b>	<b>28,139,000</b>	<b>2.29</b>	<b>2,070,200</b>	

\*Note: Totals may not add due to rounding.



## **Appendix 2 – Panoramic Gold Project(s) Resources (Au) – Competent Persons Disclosures**

### **Gidgee Project**

Swan OC resource cutoff grade is 0.7 g/t

Eagles Peak resource cutoff grade is 1.2 g/t

Orion resource cutoff grade is 1.3 g/t

Deep South resource cutoff grade is 1.2 g/t

Swan UG resource cutoff grade is 4.0 g/t for Indicated resources and 5.0 g/t for Inferred resources

Swift UG resource cutoff grade is 5.0 g/t

Omega UG resource cutoff grade is 3.0 g/t

Kingfisher UG resource cutoff grade is 3.0 g/t

Individual Project Resources and Reserves are stated on an equity basis

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

Heron South resource cutoff grade is 0.5 g/t

Howards resource cutoff grade is 0.5 g/t

Specimen Well resource cutoff grade is 0.5 g/t

Toedter resource cutoff grade is 0.5 g/t

Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Heron South, Howards, Specimen Well, and Toedter Mineral Resources is based on information compiled by or reviewed by John Hicks (MAusIMM). John Hicks is a full time employee of Panoramic Resources Ltd. John Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. John Hicks consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Wilsons resource cutoff grade is 4.5 g/t

Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Wilsons Mineral Resource is based on information compiled by or reviewed by Andrew Thomson (MAusIMM). Andrew Thomson was a full time employee of Apex Mining NL in 2009 and is currently a full time employee of Corazon Mining Ltd. Andrew Thomson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Andrew Thomson consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### **Mt Henry Project (Panoramic 70%)**

Mt Henry Project resource cutoff grades are 1.0 g/t

Individual Project Resources and Reserves are stated on an equity basis

The information in this report that relates to the Mt Henry Project Mineral Resources is based on information compiled by or reviewed by Richard Breyley (MAusIMM). Richard Breyley is a full time employee of Matsa Resources Ltd. Richard Breyley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Breyley consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



## Appendix 3 – Thunder Bay North Project Resources (PGMs)

### (1) Open Pit Mineral Resource Statement, Thunder Bay North Project, - Effective Date: 11 January 2011 (David Thomas, P.GeO)

Category	Quantity Tonnage (tx1,000)	Grade									Contained Metal								
		Pt (g/t)	Pd (g/t)	Rh (ppm)	Au (g/t)	Ag (g/t)	Cu (%)	Ni (%)	Co (g/t)	Pt-Eq (g/t)	Pt (oz x 1,000)	Pd (oz x 1,000)	Rh (oz x 1,000)	Au (oz x 1,000)	Ag (oz x 1,000)	Cu (t x 1,000)	Ni (t x 1,000)	Co (t x 1,000)	Pt-Eq (t x 1,000)
Indicated	8,460	1.04	0.98	0.04	0.07	1.5	0.25	0.18	140	2.13	282	266	12	18	411	21	15	1	580
Inferred	53	0.96	0.89	0.04	0.07	1.6	0.22	0.18	142	2.00	2	2	0	0	36	0	0	0	3

Notes to accompany Open Pit Mineral Resource Table:

1. The mineral resource categories under JORC Code (2004) are the same as the equivalent categories under CIM Definition Standards for Mineral Resources and Mineral Reserves (2010).
2. The portion of the Mineral Resource underlying Current Lake is assumed to be accessible and that necessary permission and permitting will be acquired.
3. Strip ratio (waste to ore) of 9: 1.
4. 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 optimised on Pt-Eq.
5. The contained metal figures shown are in situ.
6. No assurance can be given that the estimated quantities will be produced.
7. The platinum-equivalency formula is based on assumed metal prices and overall recoveries.
8. All figures have been rounded; summations within the tables may not agree due to rounding. Tonnages and contained metal values are rounded to the nearest 1,000 tonnes; grades are rounded to two decimal places.
9. Tonnage and grade measurements are in metric units; contained ounces are reported as troy ounces.

### (2) Underground Mineral Resource Statement, Thunder Bay North Project, (refer to Magma ASX Announcement dated 23 February 2012)

Category	Quantity Tonnage (tx1,000)	Grade									Contained Metal								
		Pt (g/t)	Pd (g/t)	Rh (ppm)	Au (g/t)	Ag (g/t)	Cu (%)	Ni (%)	Co (g/t)	Pt-Eq (g/t)	Pt (oz x 1,000)	Pd (oz x 1,000)	Rh (oz x 1,000)	Au (oz x 1,000)	Ag (oz x 1,000)	Cu (t x 1,000)	Ni (t x 1,000)	Co (t x 1,000)	Pt-Eq (t x 1,000)
Indicated	1,369	1.65	1.54	0.08	0.11	2.6	0.43	0.24	0.016	3.67	73	68	4	5	115	6	3	0	162
Inferred	472	1.32	1.25	0.06	0.09	2.1	0.36	0.19	0.011	2.97	20	19	1	1	32	1	0	0	45

Underground Mineral Resource Estimates: The internal 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 the Company on September 6, 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 JORC Code (2004). Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Notes: Underground Mineral Resource Estimates: The internal 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 the Company on September 6, 2010. The underground mineral resource is reported at a cut-off grade of 1.94 g/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 JORC Code (2004). Mineral resources are not mineral reserves and do not have demonstrated economic viability.