Deacon nickel-sulphide discovery, Kambalda, WA

CET Discovery Day, Fremantle
18 February 2014
John Hicks, General Manager Exploration
Road to discovery

Introduction
- Feb 2001 - Acquired Sally Malay Project
- Sept 2001 - Company listed on the ASX
- Nov 2004 - Purchased Lanfranchi from WMC
- Jan 2005 - Air-leg mining commenced on the Lanfranchi orebody
- May 2005 - Mining to extend Helmut decline to Helmut South
- Sept 2005 - First ore from Helmut South orebody delivered to Kambalda concentrator
- Sept 2006 - Deacon orebody discovered

Significance
- Discovery was made after 30 years of continuous mining and exploration at Lanfranchi by WMC
- At 75,000t contained Ni, the discovery is twice as large as the next Ni sulphide deposit at Lanfranchi
- Without Deacon, the Lanfranchi Nickel Mine would not be in production today and Panoramic would not be the same Company

Why was Panoramic successful?
- Apart from being incredibly lucky and fortunate
- The adoption of and adherence to komatiite Geology 101 principles
- Specifically the recognition of potential channel features in part through the interpretation of footwall contact contours
Lanfranchi - location

- Located 42km south of Kambalda on the Tramways Dome
- Peers – Independence Group & Mincor Resources
- Supplying ore to the BHP Nickel West concentrator
Fact geology – Tramways Dome
Geological overview

- **1960-2002** - WMC exploration and mining
- Nickel production 101,000t from Edwin, Lanfranchi, Schmitz, Skinner and Helmut
- Low grade resources at McComish, Cruickshank and Gigantus
- **Nov 2004-present** - Panoramic nickel production from Lanfranchi, Winner, Schmitz, Helmut South & Deacon
- Production to Dec 2013 69,400t Ni
- New discoveries, Deacon, Helmut South extension and Jury-Metcalfe
- Significant upgrade to Cruickshank and improved understanding of overturned Dome
Tramways Dome cross section

Simplified Cross Section
Tramways Dome

Overturned Dome
Surface
Tramways Dome
Overturned Kambalda Komatiite
Lunnion Footwall Basalt
Kambalda Komatiite
Black Flag Beds
Helmut
Deacon

LANFRANCHI NICKEL PROJECT
Simplified Cross-section 391 500mE
Geological overview
Simplified plan – Schmitz and Helmut South

- Schmitz Production: 35,800 Ni t
- Helmut Production: 11,500 Ni t
- Skinner Production: 14,500 Ni t
- Helmut / Deacon Decline: -380 m
- TD 6124: 4 m at 1.7% Ni (520 mRL)
- HELMUT SOUTH: 794,300 t at 3.01% Ni, 23,900 Ni t

HELUMT SOUTH - SCHMITZ AREA
JANUARY 2005
Simplified cross section - 514,400mN

LEGEND
Ni MINERALISATION
- Matrix (1.0 to 4.5%Ni)
- Lunnon footwall basalt
- Felsic porphyry
- Kambalda komatiite
- Interflow sediment

DEACON PROJECT
Section 514 400mN
• 2005/06 – exploration budget $1 million
• Main exploration targets
  • Extend drilling down-plunge Schmitz
  • Test possible channel feature west of Helmut South
• Additional Schmitz Resources defined
• Several failed attempts to test channel feature west of Helmut South
Exploration update - 2012

- 5920 hanging wall drill drive developed March to June 2007
- Deacon Resource released January 2009
- Resources
  - January 2005 23,000t Ni
  - January 2009 110,000t Ni
- Concentration of resources in narrow, well defined channel feature
Simplified cross section 513,980mN

DEACON PROJECT
Section 513 980mN
Simplified cross section 513,850mN

LEGEND

Ni MINERALISATION
- Massive (> 4.5% Ni)
- Matrix (1.0 to 4.5% Ni)
- Lunnon footwall basalt
- Felsic porphyry
- Kambalda komatiite

DEACON PROJECT
Section 513 850mN
Simplified cross section 513,770mN

DEACON PROJECT
Section 513 770mN

LEGEND
Ni MINERALISATION
- Massive (> 4.5% Ni)
- Matrix (1.0 to 4.5% Ni)
- Disseminated (0.5 to 1.0% Ni)
- Lunnor footwall basalt
- Felsic porphyry
- Kambalda komatiite

50m
Simplified cross section 513,670mN

LEGEND
Ni MINERALISATION
- Massive (> 4.5%Ni)
- Matrix (1.0 to 4.5%Ni)
- Disseminated (0.5 to 1.0%Ni)
- Lunnion footwall basalt
- Felsic porphyry
- Kambalda komatiite

DEACON PROJECT
Section 513 670mN

5920 Drill drive

Spinifex Textured Flow Top Sequence

Helmut South Extension

Deacon

391 550mE 391 600mE 391 650mE 391 700mE 391 750mE

-600mRL
-550mRL
-700mRL
Simplified cross section 513,510mN

**LEGEND**

- Massive (> 4.5%Ni)
- Matrix (1.0 to 4.5%Ni)
- Disseminated (0.5 to 1.0%Ni)
- Lunnon footwall basalt
- Felsic porphyry
- Kambalda komatiite
- Interflow sediment

DEACON PROJECT
Section 513 510mN
Simplified cross section 513,250mN
Overview – Tramways Dome
A more recent discovery – Savannah North

- First hole of a new drill program to test new structural model
- KUD1525 intersects 89.3m @ 1.60% Ni, 0.76% Cu, 0.12% Co from 704.9m including:
  - 13.2m @ 2.10% Ni, 0.72% Cu, 0.15% Co from 741.8m
  - 17.0m @ 2.28% Ni, 1.16% Cu, 0.17% Co from 777.0m
- Drilling ongoing
- Another exploration success underpinned by applied geological principles
Plan trace of KUD1525 and the offset position of the Savannah North discovery between the 500 and 900 Faults.