

Preliminary September 2015 Quarterly Statistics

Key Points

- **Safety** – no LTIs reported
- **Production** – 3,446t Ni in concentrate/ore (unreconciled)
- **Costs** – quarterly Savannah production costs were flat, Lanfranchi costs were up due to one off costs associated with ceasing mining of the Deacon and Jury-Metcalf orebodies
- **Exploration** – drilling at both Savannah North and Lower Schmitz continues to return positive results
- **Resources and Reserves** – the strike extent of Savannah North is now ~2 kms and a major upgrade in the Savannah North Resource was reported on 1 October 2015
- **Cash and trade receivables** – ~\$32 million, impacted by lower Lanfranchi production and revenue, less Savannah concentrate shipments, negative QP adjustments from the falling US\$ nickel price and higher costs at Lanfranchi
- **Corporate** – Mt Henry Gold Project (70%) sold to Metals X for ~15.2 million MLX shares

Details

Safety

Safety performance continued to improve with no LTIs recorded, however strains and sprains are still an area of concern and the Company is working on initiatives to address this.

Production

Savannah had a good quarter producing 2,427t Ni contained in concentrate and is on budget. The mine and processing plant continues to perform well, with overall grades and recovery exceeding budget.

At Lanfranchi, production for the quarter was 1,019t Ni contained in ore (unreconciled). Mining rates in August and September were significantly reduced following the seismic activity in late July in the vicinity of the Deacon orebody and the fall in the US\$ nickel price. The decision was made early in the quarter to cease mining Deacon and Jury-Metcalf. Operations were scaled back, with the primary focus on completing the 9000 Drill Drive to allow Resource drilling of the Lower Schmitz mineralisation. As a result, 123 employees were made redundant while 30 employees were transferred to Savannah.

Exploration

The Resource drilling program at Savannah North continued and has significantly expanded the footprint of the mineralisation with the strike extent now known to be ~2 kms. A maiden Savannah North Resource was released and subsequently upgraded to **6.88Mt @ 1.59% Ni for 109kt Ni** (refer to ASX announcement of 1 October 2015).

A Resource drilling program at Lower Schmitz commenced in September following the completion of the 9000 Drill Drive. A maiden Resource is expected to be released in the December 2015 quarter.

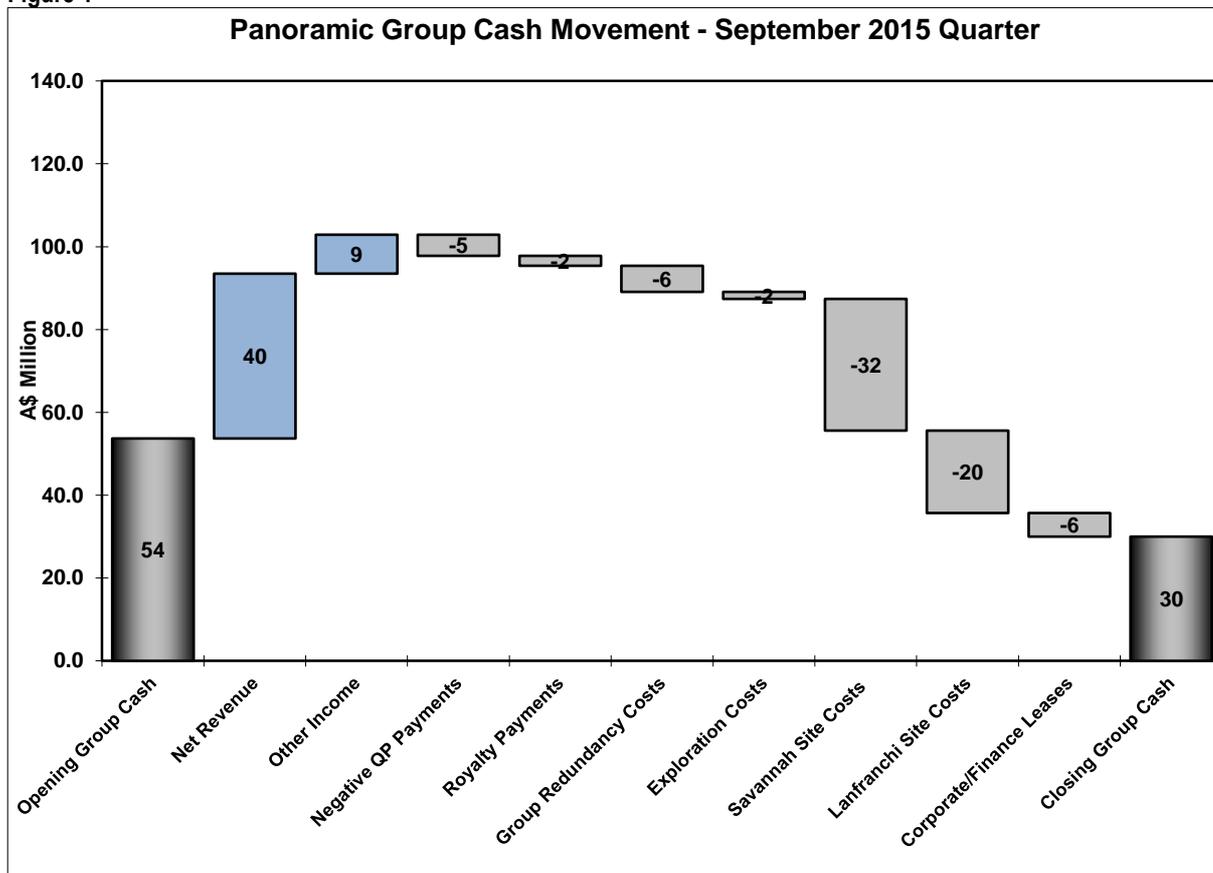
Cash and Trade Receivables

Group liquid assets at the end of the quarter were ~\$32 million, comprising ~\$30 million of cash and ~\$2 million of trade receivables. The reduction in liquid assets was primarily due to:

- the wind down of operations at Lanfranchi, which impacted production and revenue;
- one off **redundancy costs of ~\$6 million** related to Lanfranchi;
- the fall in the US\$ nickel price over the quarter impacting on sales revenue at both sites and requiring the Company to refund a total of **~\$5 million in final invoice quotational period** pricing adjustments;
- ~\$7 million worth of Savannah nickel in concentrate waiting to be shipped at the end of the quarter; and
- trade receivables reduced due to the curtailment of production from Lanfranchi.

Aggregate movements in the Group Cash balance over the quarter are shown in Figure 1.

Figure 1



Corporate

On 30 July 2015, the Company announced the sale of its 70% interest in the Mt Henry Gold Project to Metals X Limited (“MLX”) for ~15.2 million MLX shares (net of costs). The transaction was settled in mid-September. The Company’s MLX shares are freely tradeable.

The process to divest the Gidgee Gold Project is progressing.

Quarterly Report

The full September 2015 Quarterly Report is targeted for release on 29 October 2015.

About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic commissioned the \$65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2015, the Company produced approximately 19,300t contained nickel.

Following the successful development of the nickel projects, the Company diversified its resource base to include gold and platinum group metals (PGM). The Gold Division consists of the Gidgee Project located near Wiluna. The PGM Division consists of the Panton Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada.

Panoramic has been a consistent dividend payer and has paid shareholders a total of \$114.3 million in fully franked dividends since 2008.

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. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record.

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