



1 August 2013

ASX: PAN

## FY2013 Financial Results Guidance

In accordance with ASX Listing Rule 3.1 (Continuous Disclosure), Panoramic Resources Limited (ASX: PAN) advises that, based on preliminary, unaudited financials, the consolidated Group expects to report an after tax loss in the vicinity of \$37 million for FY2013.

The following table is a summary of the estimated FY2013 results compared to FY2012.

**Table 5: Preliminary, Unaudited FY2013 Results**

	FY2013 Estimate	FY2012 Actual
<b>Financials (A\$ million)</b>		
Total net revenue *	\$183.0	\$233.0
Depreciation and amortisation (D&A)	(\$54.0)	(\$51.4)
Net loss before tax and impairment	(\$38.0)	(\$14.1)
Impairment/write-off of assets after tax	(\$10.0)	(\$7.2)
Net loss after tax	(\$37.0)	(\$18.2)
Cash flow from operating activities	\$21.0	\$38.2
LME average cash nickel price per lb	US\$7.43	US\$8.75
RBA average US\$:A\$ FX settlement rate	US\$1.0272	US\$1.0319
A\$ average cash nickel price per lb	A\$7.23	A\$8.48
<b>Nickel produced/sold</b>		
Nickel (tonnes) produced**	19,561	19,791
Nickel (tonnes) sold**	18,959	19,820

\* Net of by-product credits, smelter/ concentrate treatment charges and profit/(losses) on commodity/foreign exchange currency hedges

\*\* Nickel in concentrate from Savannah and nickel in ore from Lanfranchi

### Commentary

The full year preliminary financial result reflects the adverse impact on sales revenue from the continued weakness in the US\$ nickel price during the financial year and more importantly, the strength (until May 2013) in the Australian dollar against the US\$ dollar. In A\$ terms, the full year average cash nickel price was 15% lower than in the previous financial year at A\$7.23/lb.

Non-cash depreciation and amortisation (D&A) expense totaled \$54 million for the year, up 6% on FY2012. Contributing to the higher D&A charge was the commencement of depreciation on the ventilation system (including fans) at Savannah and for the first time, a full year's depreciation on the new concentrate shed at the port of Wyndham and the Lanfranchi Village.



In response to the low nickel price environment and lower near-term nickel price forecast (based on external consensus estimates), the FY2013 financial results are expected to include a preliminary, unaudited non-cash impairment of \$10 million after tax against the carrying-value of the Lanfranchi nickel operation. As at 30 June 2013, the lower nickel price forecast has reduced the recoverable net-present-value (NPV) cash flow from future mining to below the carrying-value of Lanfranchi's capitalised mine assets (principally capitalised mine development). The difference in the two values is the preliminary amount of the non-cash asset impairment to be recognised.

The FY2013 consolidated Group financial results are still subject to adjustments (up or down) for the fixing of final prices in July for the Savannah June concentrate shipments and Lanfranchi's April ore deliveries, updated provisional pricing for the May and June Lanfranchi ore deliveries, an internal tax review and the completion of the full year audit review by the Company's auditor in August.

## Exploration and other Capital Expenditure

### Exploration

In the Company's June 2013 Quarterly Report, an amount of \$6 million was disclosed as being the consolidated Group exploration budget for FY2014. As mentioned in the quarterly, this expenditure is significantly lower than in previous years (\$18.5 million (unaudited) in FY2013 and \$19.2 million in FY2012).

### Mine Capital Expenditure

The Company wishes to advise that the consolidated Group has budgeted to spend \$9 million on capital mine development and \$6 million on other sustaining capital (including plant and equipment) in FY2014.

### Other

The FY2014 exploration and capital expenditure budgets do not include expenditure on finalising the bankable feasibility studies at the Company's gold projects at Gidgee and Mt Henry or discretionary evaluation work on the Company's PGM projects at Thunder Bay North and Panton. This expenditure is estimated to be in the range of \$3 to \$5 million in FY2014.

## 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, Panoramc produced 19,561t of nickel contained in FY2013 and is forecasting to produce between **20,000 and 21,000t of nickel in FY2014**. Panoramc is an S&P/ASX 300 Index Company with a strong balance sheet, no bank debt and a growing nickel, gold and PGM resource base, employing more than 500 people (including contractors).

In early 2011, Panoramc acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramc 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. Panoramc released a Scoping Study in August 2012 on the recommencement of gold production from Gidgee and released a positive Scoping Study on the Mt Henry Project in December 2012. Bankable Feasibility Studies on both gold projects are underway and are due for completion in the December 2013 quarter. The Company has expanded into Platinum Group Metals (PGM) with the purchase of the Panton PGM Project located 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 house in the S&P/ASX 100 Index.

**For further information contact:  
Peter Harold, Managing Director  
+61 8 6266 8600**