

Fully Underwritten Renounceable Entitlement Offer

Key Points

- Fully underwritten 1 for 3 pro-rata renounceable Entitlement Offer to raise approximately \$10.7 million (before costs)
- Offer price of \$0.10 per New Share represents a 16.7% discount to yesterday's closing PAN share price of \$0.12
- Entitlements may be traded on ASX from Monday, 4 April 2016 to Monday, 18 April 2016
- Funds raised will be primarily used to support the Company's objectives for Savannah North, the Company's other assets and to provide working capital

Offer Details

Panoramic Resources Limited (**ASX: PAN, Panoramic or Company**) is pleased to announce that the Company is offering eligible shareholders the opportunity to acquire new fully paid ordinary shares in the Company (**New Shares**) through a fully underwritten pro-rata renounceable entitlement offer of one (1) New Share for every three (3) Shares held by eligible shareholders on the Record Date at an issue price of \$0.10 per New Share to raise approximately \$10.7 million (before costs) (**the Offer**). The Record Date is Tuesday, 5 April 2016.

The Offer price of \$0.10 per New Share represents:

- a discount of 16.7% to yesterday's closing PAN share price of \$0.12;
- a discount of 26.5% to the 10 day VWAP of \$0.136;
- a discount of 25.4% to the 30 day VWAP of \$0.134; and
- a discount of 13.0% to the theoretical ex-rights price of \$0.115.

Entitlement Offer Rationale

The Company has decided to place the Savannah Nickel Project (**Savannah**) onto care and maintenance due to the continued weakness in the nickel price. There are costs associated with moving Savannah onto care and maintenance, including employee redundancies, working capital adjustments, and other one off costs which will be funded from revenue receipts between now and the final shipment of concentrate and from existing cash reserves.

While Savannah is on care and maintenance, the Company plans to conduct additional exploration and to complete a Feasibility Study on the new Savannah North Nickel Project. This work, together with other forecast project expenditure and corporate costs, will need to be funded from the Company's cash reserves.

Given that the Company is uncertain as to when nickel prices will recover to levels that will provide an acceptable return from mining and processing Savannah ore, the Company believes it is prudent to bolster the Company's Balance Sheet by undertaking the Offer at this time.

Eligible Shareholders and Sale of Rights

Entitlements (**Entitlements** or **Rights**) may only be exercised by eligible shareholders being persons with a registered address on the Company's Share Register in Australia, New Zealand, Bermuda, Germany, Norway, Luxembourg or Switzerland and "accredited investors" in the United States. Ineligible shareholders are all those shareholders with registered addresses outside these jurisdictions.

Entitlements may be sold on ASX from Monday, 4 April 2016 to Monday, 18 April 2016. It is the responsibility of purchasers of Rights to inform themselves of the eligibility criteria for the exercise of Rights. If holders of Rights after the end of the Rights trading period do not meet the eligibility criteria, they will not be able to exercise the Rights.

Subject to ASIC approval of GMP Securities Australia Pty Ltd (**GMP**) as nominee, GMP will sell the Entitlements of ineligible shareholders, with the net proceeds, if any, distributed to the ineligible shareholders.

Top Up Facility

As part of the Offer, eligible shareholders, other than Zeta, may also apply for additional New Shares in excess of their Entitlements at the same issue price of \$0.10 per New Share (**Top Up Facility**). The Top Up Facility provides an opportunity for eligible shareholders to apply for additional Shares to top up their holdings (**Top Up Shares**). Under the Top Up Facility there is a cap such that the maximum number of New Shares that will potentially be available to each eligible shareholder, other than Zeta, is 50% more than their Entitlements. There is no guarantee regarding the number of New Shares (if any) that will be available to shareholders under the Top Up Facility, in addition to their Entitlements under the Offer. This will depend on how many Entitlements are taken up. If all Entitlements are taken up under the Offer then there will be no Top Up Shares available. In the event that demand for New Shares under the Top Up Facility exceeds the number of New Shares that are available then there will be a scale back on a pro rata basis.

Underwriting Arrangements

Zeta Resources Limited (**Zeta**) (**ASX: ZER**) and GMP have been appointed underwriters to the Offer. The terms of the underwriting arrangements for each underwriter are:

- Zeta has agreed to underwrite up to an amount of \$9.0 million. Zeta will be paid an underwriting fee of 3.75% of \$6.932 million.
- GMP has agreed to underwrite up to an amount of \$1.714 million and will be paid an underwriting fee of 3.75% on the amount it underwrites plus a 1% management fee on the total Offer amount.

On the basis that Zeta exercises 100% of its Entitlements, and no other shareholders exercise their Rights, Zeta would, once the New Shares are issued, have a 35.47% shareholding in Panoramic.

GMP intends to appoint sub-underwriters for the amount of the Offer that GMP has agreed to underwrite. Panoramic shareholders and other investors that qualify as a "sophisticated investor" or "professional investor" pursuant to section 708 of the *Corporations Act 2001* (Cth) can contact GMP to submit an application for sub-underwriting of the Offer. The acceptance of sub-underwriting applications will be determined based on GMP's assessment of settlement risk of the applicant, determined in GMP's absolute discretion, and may be subject to scale back. Successful applicants will be required to complete a sub-underwriting confirmation letter and provide written evidence to support any representations and warranties contained in that confirmation letter, if requested by GMP.

Zeta may also consider the appointment of sub-underwriters for all or part of the amount of the Offer that Zeta underwrites from sub-underwriting applications submitted to GMP.

Applicants for sub-underwriting of the Offer should contact GMP. Applications for sub-underwriting close at 5pm (WST) on Thursday, 7 April 2016.

GMP contact details:

Kerryn Jakovich
Email: KJakovich@gmpsecurities.com
Tel: +61 8 6141 6313

Use of Funds

Funds raised from the Offer will be used to upgrade and extend the drilling coverage at the Savannah North Project with a focus on extending the known Resource and conceptual mine life. The balance of funds will be used on other nickel exploration targets, gold and PGM project studies and for corporate expenses, Offer costs and general working capital purposes. Further detail is set out in Table 1.

Table 1: Use of Funds

	Description	\$ million (approximately)
Uses	<ul style="list-style-type: none"> Savannah North Resource upgrade drilling Savannah North eastern and western zone extensional drilling Savannah North Feasibility Study 	Up to \$3.0M
	<ul style="list-style-type: none"> Metallurgical testwork on Savannah ore to determine if a higher grade bulk concentrate or separate nickel and copper concentrates can be produced A mini smelter Scoping Study to produce matte from Savannah and Panton material 	Up to \$1.0M
	<ul style="list-style-type: none"> EM surveys and drilling on priority targets at Gum Creek, if asset retained. If Gum Creek is not retained, the funds will be used as working capital 	Up to \$1.0M
	<ul style="list-style-type: none"> Panton metallurgical testwork and mining studies Savannah and Lanfranchi care and maintenance costs Corporate expenses, general working capital and Offer costs 	Up to \$5.7M

Timetable

Table 2 outlines the key dates for the Offer.

Table 2: Key Dates of the Offer

	Event	Date
Entitlement Offer dates and timeline	<ul style="list-style-type: none"> Announcement of the Offer Offer Booklet, Investor Slides, Appendix 3B and Cleansing Statement lodged with the ASX 	31 March 2016
	<ul style="list-style-type: none"> Securityholders sent Appendix 3B information 	1 April 2016
	<ul style="list-style-type: none"> Shares quoted on an "Ex" basis (Rights trading commences) 	4 April 2016
	<ul style="list-style-type: none"> Record Date 	5 April 2016
	<ul style="list-style-type: none"> Offer Booklet, Investor Slides and acceptance forms despatched to Eligible Shareholders 	8 April 2016
	<ul style="list-style-type: none"> Rights trading ends 	18 April 2016
	<ul style="list-style-type: none"> Last day to extend offer closing date 	20 April 2016
	<ul style="list-style-type: none"> Closing date 	5.00pm (WST) 26 April 2016
	<ul style="list-style-type: none"> Notify ASX of undersubscriptions 	29 April 2016
	<ul style="list-style-type: none"> Issue date 	3 May 2016

Western Standard Time (WST). The Entitlement Offer Timetable is indicative and subject to variation. The Company reserves the right to alter the timetable at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act and other applicable law. In particular, Panoramic in conjunction with the underwriters reserves the right to either generally or in particular cases extend the closing date of the Entitlement Offer, to accept late or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

An Appendix 3B for the Shares to be issued pursuant to the Offer, Offer Booklet, Investor Slides and Cleansing Statement follows this announcement.

For further information, please contact:

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Trevor Eton
CFO and Company Secretary
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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 successfully commissioned the \$65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and produced 19,301t contained nickel in FY2015.

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 Gum Creek 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, in which Rio Tinto is earning 70% in the project by spending up to C\$20 million over five years.

Panoramic has been a consistent dividend payer and has paid out a total of \$114.3 million in fully franked dividends since 2008. At 31 December 2015, Panoramic had \$25 million in cash and no bank debt.

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.

**For further information contact:
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Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Panoramic's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Panoramic believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

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