

## Preliminary March 2016 Quarterly Statistics

### Key Points

- **Safety** – Savannah LTI Frequency Rate (LTIFR) at zero after recording 397 days without an LTI
- **Savannah Production** – 2,861t Ni in concentrate, **a new quarterly production record**
- **Costs** – quarterly aggregate Savannah production costs lower
- **Savannah North Scoping Study** – positive results demonstrate potential to add significant mine life at Savannah
- **Gum Creek Free Milling Scoping Study** – updated study demonstrates enhanced economics based on treating only free milling material from various open pits
- **Renounceable Entitlement Offer** – fully underwritten, pro-rata renounceable rights issue underway to raise \$10.7 million before costs
- **Exploration** – excellent results so far from extensional drilling at Savannah North
- **Cash, receivables and nickel in concentrate** – ~\$27 million, liquid assets down ~\$6 million after further redundancy costs and negative QP adjustments due to the weak US\$ nickel price

### Details

#### Safety

Excellent safety performance continued at Savannah with no lost time injuries (LTIs) recorded. The Savannah LTIFR dropped from 1.43 to zero in the quarter after recording no LTI's over the last 12 months.

#### Production

Savannah had an outstanding operating performance, producing 2,861t Ni contained in concentrate (December 2015 quarter: 2,599t Ni). Both mill throughput (251,456t) and nickel production represent new quarterly records at the Project. Regrettably, following the decision in January 2016 to transition Savannah onto care and maintenance, 53 employees were made redundant during the quarter. As previously advised, Savannah will move onto care and maintenance during the June 2016 quarter.

#### Savannah North Scoping Study

The Savannah North Scoping Study was released in January (*refer to the Company's ASX announcement of 27 January 2016*). The Study demonstrates that in an improved nickel price environment, there is potential to add significant mine life at Savannah through the development of Savannah North. The modelled annual metal production rates at relatively low estimated cash costs could generate strong cash flows assuming commodity prices recover to previous long-run levels.

#### Gum Creek Free Milling Scoping Study

An updated Scoping Study on the Gum Creek Gold Project (previously known as the Gidgee Gold Project) was released in March assuming the processing of free milling open-pit Resources only (*refer to the Company's ASX announcement of 18 March 2016*). The Study demonstrates a robust Project at an A\$1,700/oz Base Case gold price, with the potential for further enhancement from adding other free milling and/or refractory material to the production profile, reduced capital and operating costs via an optimisation of the flowsheet, and more competitive mining contract and plant construction costs. The Company continues to review the option of enhancing shareholder value through the sale of Gum Creek, or by retaining and developing the project in-house.

## Fully Underwritten Pro-rata Renounceable Entitlement Offer

On 31 March 2016, the Company announced a fully underwritten, pro-rata renounceable one (1) for three (3) rights issue at \$0.10 per share to raise \$10.7 million before costs (refer to the Company's ASX announcement of 31 March 2016). The Entitlement Offer documents will be mailed to shareholders on Friday, 8 April 2016 and the Offer ends on Tuesday, 26 April 2016. Funds raised will be used primarily to support the Company's objectives for Savannah North, studies on other projects and for working capital.

## Exploration

Following the release of the Savannah North Scoping Study, the Company resumed underground Resource drilling at Savannah North in late February. Using two drill rigs, the program is designed to convert more resources from Inferred to Indicated Category and to test up and down dip extensions to the current Resource. The first four drill holes intersected significant width and grades of mineralisation (refer to the Company's ASX announcement of 21 March 2016). Drilling is scheduled to continue until mid-year.

The maiden Resource at Lanfranchi's Lower Schmitz deposit is due to be released in the March 2016 Quarterly Report.

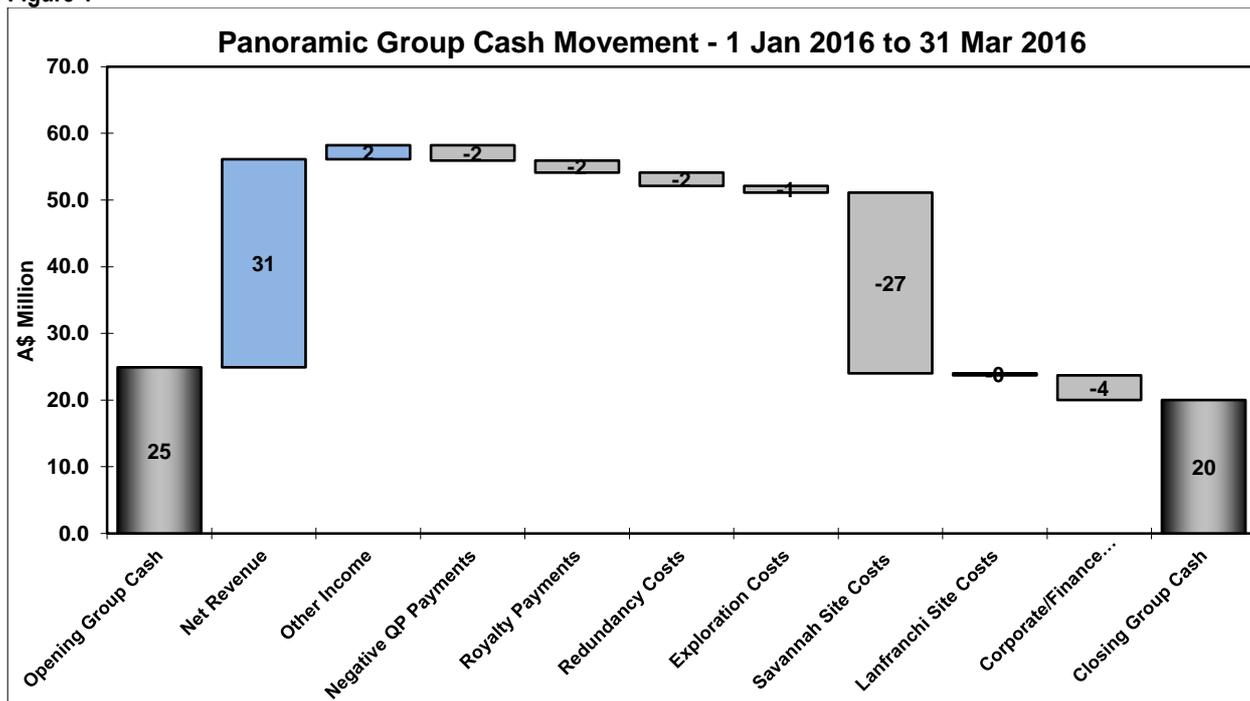
## Liquid Assets

Group liquid assets at the end of the quarter were ~\$27 million, comprising ~\$20 million cash, ~\$1 million receivables and ~\$6 million of nickel in concentrate waiting to be shipped at 31 March 2016. The movement in liquid assets was primarily due to:

- ~\$2 million in redundancy costs at Savannah;
- the continuing weakness in the US\$ nickel price impacting sales revenue and requiring the Company to refund ~\$2 million for final invoice quotational period (QP) pricing adjustments; and
- ~\$2 million in proceeds from the sale of MLX shares.

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

Figure 1



## Quarterly Report

The full March 2016 Quarterly Report is targeted for release on 28 April 2016.

## 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 March 2016, Panoramic had \$20 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.

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