

Preliminary June 2016 Quarterly Statistics

Key Points

- **Savannah Safety** – no LTIs recorded
- **Savannah Quarterly Production** – 1,958t Ni in concentrate, project moved onto care and maintenance
- **Group FY2016 Production** – 10,864t Ni in concentrate/ore
- **Savannah North** – latest drilling results demonstrate potential to extend the mineralised envelope and grow the Resource
- **Gum Creek Gold** – IPO proposed given recent exploration results, metallurgical test work and the strong gold equity market
- **Lower Schmitz** – maiden Resource estimate of 131,000t @ 5.1% Ni for 6,700t Ni
- **Pro-Rata \$10.7M Renounceable Entitlement Offer** – ~78% acceptance by shareholders
- **Cash, receivables and nickel in concentrate** – \$30 million in liquid assets, up ~\$3 million in the quarter

Details

Safety

Another excellent safety performance at Savannah with no lost time injuries (LTIs) recorded.

Production

Savannah produced 1,958t Ni in concentrate in April and May, before the project was placed onto care and maintenance. In FY2016, Savannah produced 9,845t Ni in concentrate and Lanfranchi produced 1,019t Ni in ore for combined Group production of 10,864t Ni in concentrate/ore.

The final Savannah concentrate shipment of 11,095wmt departed for China on 5 July 2016.

Savannah North

Since the release of the positive Savannah North Scoping Study in January, the Company has re-commenced underground Resource definition and extensional drilling at Savannah North. The drilling has been positive and confirms the continuation of the Savannah North mineralisation up and down dip to the east and west of the Maiden Resource (*refer to the Company's ASX announcement of 30 May 2016*). The current drilling program is nearing completion and will be followed up with down-hole electromagnetic (DHEM) surveys on selected drill holes. A surface drilling program is scheduled to commence in September 2016 to test new targets in the vicinity of Savannah and Savannah North.

An updated Savannah North Resource estimate is targeted for completion late in the September 2016 quarter.

In May, plant trials were conducted to quantify the benefits of using IsaMill™ and Jameson Cell™ technologies on Savannah ore. The results from the testwork were very positive, showing improved concentrate grades and metal recoveries at various feed grades. The final results will be incorporated into the Savannah North Feasibility Study.

Gum Creek Gold

The integration of geo-physical data collected from ground gravity and airborne electromagnetic surveys with existing magnetic surveys, geological mapping and the drill-hole database has identified fourteen high priority regional targets for follow-up exploration. Four of the fourteen targets are associated with the Wilsons Shear and this area has been the subject of Induced Polarisation (IP) surveying. Two discrete IP chargeable anomalies have been identified for further exploration, as detailed in the Company's ASX announcement of 29 June 2016.

In June, metallurgical testwork on the Wilsons refractory mineralisation identified a potential processing route utilising mild conditions to oxidise flotation concentrate, achieving high gold recoveries. This process has the potential to reduce both process risk and operating and capital costs due to the relatively low volume of concentrate and quick processing time (*refer to the Company's ASX announcement of 29 June 2016*). A number of areas for optimisation have been identified which will be the focus of future testwork.

Given the strong gold equity market, recent exploration success, promising metallurgical testwork and the overall increased attractiveness of the Project the Company, as announced on 11 July 2016, has decided to realise value for shareholders by listing the asset on the ASX. The IPO structure, which is indicative only and subject to change at the Company's discretion, is to value the Gum Creek assets at \$15 million and raise \$15 million in new equity via a priority entitlement to existing Panoramic shareholders. Full details will be contained in an IPO prospectus, which is currently being prepared.

Lower Schmitz

A maiden Mineral Resource estimate for Lower Schmitz of 131,000t @ 5.1% Ni for 6,700t Ni was released in the March 2016 quarterly report on 28 April 2016. Importantly, the deposit remains open down plunge and warrants further drilling to potentially increase the size of the Resource.

Fully Underwritten Pro-rata Renounceable Entitlement Offer

On 26 April 2016, the Company completed a fully underwritten, pro-rata renounceable one for three rights issue at \$0.10 per share. The Entitlement Offer was strongly supported by shareholders, with valid applications from approximately 78% of eligible shareholders and raised \$10.7 million (before costs). The Company's major shareholder, Zeta Resources Limited, co-underwrote the issue with GMP Securities Australia Pty Ltd and now holds 24.7% of the Company's issued capital.

Liquid Assets

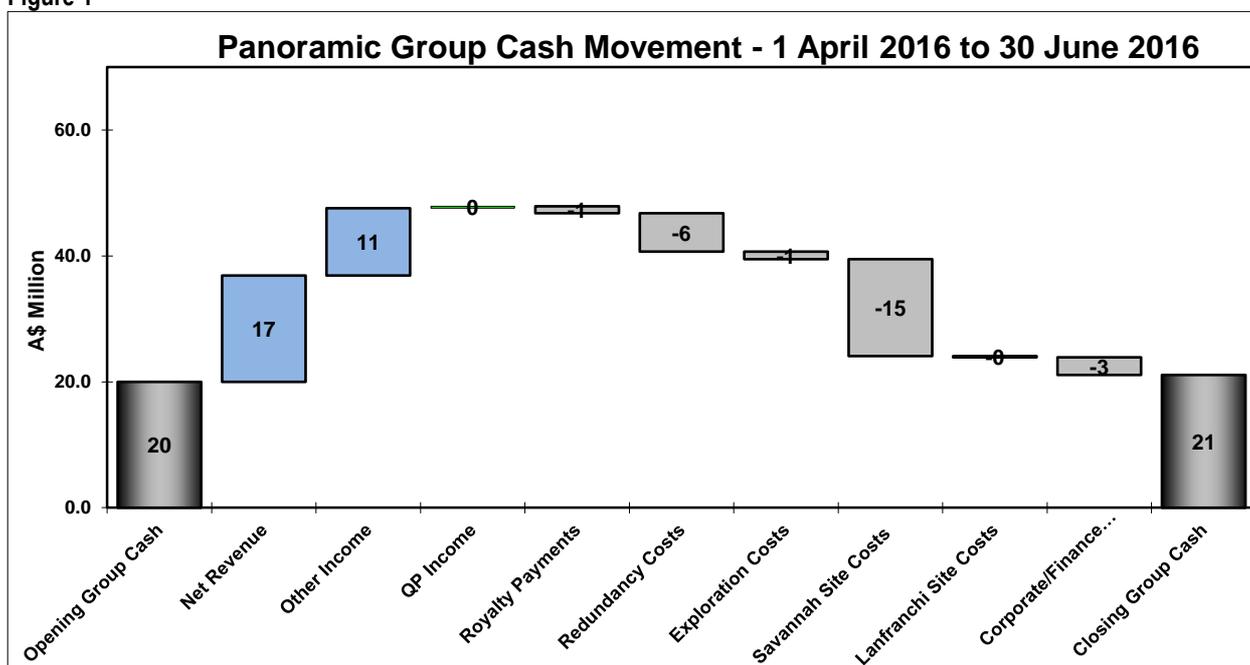
Group liquid assets at the end of the quarter were \$30 million, comprising \$21 million cash and ~\$9 million of nickel in concentrate waiting to be shipped at 30 June 2016. The movement in liquid assets outside of normal operating cash flows was primarily due to:

- \$10.7 million from the pro-rata rights issue (before costs);
- ~\$6 million in redundancy costs at Savannah; and
- \$1.2 million in exploration drilling at Savannah North.

At 30 June 2016, \$1.8 million is cash-backed against the drawn amount on the Company's performance bond facility.

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

Figure 1



Quarterly Report

The full June 2016 Quarterly Report is expected to be release on 27 July 2016.

No New Information or Data

This announcement contains references to Exploration Results and Mineral Resource estimates, all of which have been cross referenced to previous market announcement(s) made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Person's Statement

The information in this release that relates to Exploration Targets and Exploration Results is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights in relation to Panoramic Resources Limited.

The aforementioned has sufficient experience that is relevant to the style of mineralisation and type of target/deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

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. The Lanfranchi Project and Savannah Project were placed on care and maintenance in November 2015 and May 2016 respectively.

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 Gold 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% 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 30 June 2016, Panoramic had \$30 million in liquid assets 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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