

Gum Creek Gold Project - Initial Public Offering - Horizon Gold

Panoramic Resources Limited (**Panoramic** or **Company**) (**ASX: PAN**) is pleased to advise that the Company has today entered into various agreements necessary to progress the proposed partial divestment of its Gum Creek Gold Project (**Project**) by way of an initial public offering (**IPO**) and listing on the Australian Securities Exchange (**ASX**).

Relevant Agreements

Acquisition Agreement - Panoramic has entered into an Acquisition Agreement with Horizon Gold Limited (**Horizon Gold**) and Panoramic Gold Pty Ltd Pty (**Pan Gold**), both currently wholly owned subsidiaries of Panoramic, under which Panoramic has effectively agreed to dispose of Pan Gold and the Project to Horizon Gold.

The Acquisition Agreement is conditional on Horizon Gold raising \$15 million before costs by issuing 37,500,000 shares at \$0.40 per share (**Capital Raising**) and receiving conditional admission approval to the Official List of ASX.

Panoramic will hold 39,030,617 shares in Horizon Gold (51%) after listing. The Company's 51% shareholding will be escrowed for two years after listing.

Management Agreement – Panoramic has entered into a Management Agreement with Horizon Gold under which it has agreed to provide technical, commercial, managerial and administrative services to Horizon Gold from the time that it is admitted to the Official List of ASX.

Underwriting Agreement – Panoramic and Horizon Gold have entered an Underwriting Agreement with Somers and Partners Pty Ltd (**Somers**) under which Somers has agreed to arrange, manage and underwrite the Capital Raising.

Panoramic is delighted that Somers is willing to support the proposed listing of Horizon Gold on ASX. As previously stated in the Company's ASX announcement of 11 July 2016, the Panoramic Board believes an IPO of the Project is the most appropriate way to unlock the intrinsic value of this asset.

Horizon Gold Prospectus

Horizon Gold has today lodged a Prospectus for the Capital Raising with the Australian and Securities and Investments Commission (**ASIC**). A copy of the Prospectus is attached to this announcement.

The Prospectus can be downloaded from the website of Horizon Gold at www.horizongold.com.au. If you are accessing the electronic version of the Prospectus for the purpose of making an investment in Horizon Gold, you must be an Australian resident and must only access the Prospectus from within Australia.

The Prospectus contains, amongst other things, full details of the offers being made by Horizon Gold, details of the Directors of Horizon Gold, details of the Project, summaries of the Agreements referred to above and key investment risks.

Eligible Panoramic shareholders will be given priority to subscribe for shares in Horizon Gold under the Priority Offer – full details of which are contained in the Prospectus.

Panoramic shareholders will be sent a copy of the Prospectus and a personalised Application Form in due course.

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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