

# Entitlement Offer Investor Presentation

24 January 2018



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This investor presentation (**Presentation**) has been prepared by Panoramic Resources Limited (ABN 47 095 792 288) (**Panoramic** or **Company**). This Presentation has been prepared in relation to a renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) to eligible shareholders (**Offer**). The Offer is to be made under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

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This Presentation contains summary information about the Company and its activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

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Any decision to purchase New Shares in the Offer must be made on the basis of the information to be contained in a separate offer booklet to be prepared for eligible shareholders in Australia, New Zealand, Germany, Switzerland, Norway, Bermuda, Luxembourg, Hong Kong, Singapore, the United Kingdom and the United States (to the extent such persons are an investor as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act of 1933 (**Securities Act**) (**US Institutional Accredited Investor**)) (**Offer Booklet**), and made available following its lodgement with ASX. Any eligible shareholder in those jurisdictions who wishes to participate in the Offer should consider the Offer Booklet in deciding to apply under that Offer. Anyone who wishes to apply for New Shares under the Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and acceptance form.

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# Important Notice and Disclaimer

## Investment risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company. Investors should have regard to the risk factors outlined in this Presentation under the caption “Key Risks” when making their investment decision.

## Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. The information contained in this Presentation may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented.

Investors should note that this Presentation contains pro forma historical balance sheets (to reflect the Offer). The pro forma historical financial information and the statutory historical financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of the Company’s views on its future financial condition and/or performance.

The pro forma historical financial information in slide 12 has been prepared by the Company in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. Investors should also note that the pro forma historical financial information is for illustrative purpose only and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Investors should be aware that certain financial information included in slide 13 of this presentation are “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934, as amended.

The disclosure of such non-GAAP financial measures in the manner included in the Presentation may not be permissible in a registration statement under the Securities Act. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although the Company believes that these non-GAAP financial measures provide useful information to users in measuring the financial position of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this Presentation.

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This Presentation contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Offer and the use of proceeds. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the “Key Risks” in this Presentation under the caption “Key Risks” for a non-exhaustive summary of certain general and specific risk factors that may affect the Company.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this Presentation.

## Past performance

Investors should note that past performance, including past share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Company including future share price performance.

# Important Notice and Disclaimer

## Disclaimer

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Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. Panoramic reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

## No New Information or Data

This Presentation contains references to exploration results, Mineral Resource and Ore Reserve estimates, and feasibility study results including production targets, all of which have been cross referenced to previous market announcements 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 and Ore Reserves, and feasibility study results including production targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

# Contents

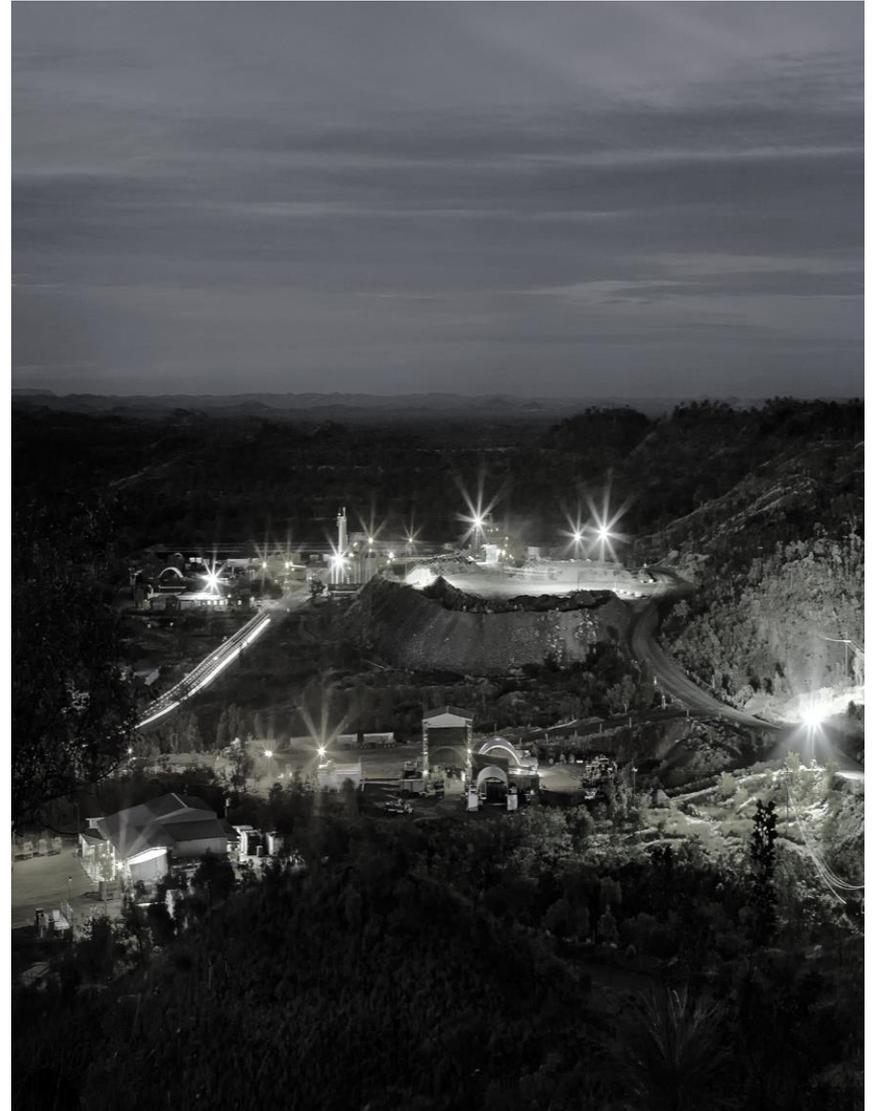
Entitlement Offer

Pro-forma Balance Sheets

Nickel Assets

PGM Assets and Gold Investment

Key Risks





## Entitlement Offer

# Entitlement Offer

<b>Entitlement Offer</b>	<ul style="list-style-type: none"><li>▪ Panoramic is undertaking a fully underwritten pro-rata renounceable entitlement offer (<b>Offer</b>) of new fully paid ordinary shares in the Company (<b>New Shares</b>) at an issue price of 34.0 cents per New Share</li><li>▪ Under the Offer, approximately <b>61.4 million</b> New Shares will be issued on a <b>1 for 7 basis</b> to raise approximately <b>\$20.9 million</b>, before costs</li><li>▪ The Entitlement Offer is renounceable which means you can sell your Entitlements</li><li>▪ Entitlements may be traded on ASX from 31 January 2018 to 14 February 2018</li><li>▪ Shareholders who do not take up their Entitlements and choose not to realise value, if any, for their Entitlements by selling their Entitlements on the ASX will have their Entitlements lapse</li></ul>
<b>Offer Price</b>	<ul style="list-style-type: none"><li>▪ 34.0 cents per New Share which represents:<ul style="list-style-type: none"><li>▪ a discount of 11.7% to the closing price of 38.5 cents on 22 January 2018</li><li>▪ a discount of 17.4% to the VWAP for the 10 trading days up to and including 22 January 2018</li><li>▪ a discount of 10.4% to the theoretical ex-rights price*</li></ul></li></ul>
<b>Top-Up Facility</b>	<ul style="list-style-type: none"><li>▪ There is a Top Up Facility under which Eligible Shareholders may apply for additional New Shares, subject to a cap equal to 50% of their Entitlements and pro-rata scale back, if necessary</li></ul>
<b>Underwriter</b>	<ul style="list-style-type: none"><li>▪ The Offer is fully underwritten by Euroz Securities Limited (<b>Euroz</b>)</li><li>▪ Euroz will act as Nominee to sell Entitlements belonging to Ineligible Shareholders</li></ul>

\*The Theoretical Ex-Rights Price (TERP) is the theoretical price at which the Company's shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which the Company's shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. The TERP is calculated by reference to the Company's closing price of 38.5 cents on 22 January 2018.

## Entitlement Offer – Rationale for the Offer

### Rationale for Offer

Following the completion of the October 2017 Updated Savannah Feasibility Study, the Company is progressing towards a decision to restart operations at Savannah. The decision to restart is contingent on a number of factors, including a sustained recovery in the nickel price, concluding offtake contract(s) and finalising appropriate financing.

In order to reduce the lead time for a restart, the Company believes it is prudent to commence a number of critical-path pre-production activities prior to a formal Board decision to restart operations. Accordingly, the Company believes it should raise equity now to enable it to undertake these pre-production activities.

Funds from the Offer are also proposed to be used to conduct additional exploration at Savannah, for care and maintenance costs, other project expenditure and corporate costs.

The Company is undertaking the equity raising by way of an Entitlement Offer so as to provide all Eligible Shareholders with the opportunity to participate and retain exposure to the Company's portfolio of nickel, copper, cobalt and PGM assets and other listed investments.

# Entitlement Offer - Use of Funds

Use of Funds raised under the Offer*	<ul style="list-style-type: none"> <li>▪ Activities to progress Savannah towards a restart, including:               <ul style="list-style-type: none"> <li>▪ Commence process plant refurbishment;</li> <li>▪ Commence the Savannah North primary ventilation project;</li> <li>▪ Order long lead items;</li> <li>▪ Advance offtake contract(s) and financing arrangements;</li> <li>▪ Tendering for major contracts; and</li> <li>▪ General site care and maintenance costs.</li> </ul> </li> </ul>	Up to \$12.9M
	<ul style="list-style-type: none"> <li>▪ Exploration and business development initiatives, which may include:               <ul style="list-style-type: none"> <li>▪ Regional drilling and EM surveys on other intrusive bodies in the Savannah Project area; and</li> <li>▪ Studies investigating opportunities to apply new or alternative technologies to enhance product value, improve productivity and reduce costs.</li> </ul> </li> </ul>	Up to \$4.0M
	<ul style="list-style-type: none"> <li>▪ General corporate expenses, working capital and Offer costs.</li> </ul>	Up to \$4.0M

# Entitlement Offer - Timetable Summary\*

<b>Announcement of Entitlement Offer</b>	<ul style="list-style-type: none"><li>▪ Wednesday, 24 January 2018</li></ul>
<b>“Ex” date and rights (Entitlements) trading commences</b>	<ul style="list-style-type: none"><li>▪ Wednesday, 31 January 2018</li></ul>
<b>Record Date</b>	<ul style="list-style-type: none"><li>▪ 5:00pm (WST) on Thursday, 1 February 2018</li></ul>
<b>Despatch Offer Booklet and Entitlement Offer opens</b>	<ul style="list-style-type: none"><li>▪ Tuesday, 6 February 2018</li></ul>
<b>Rights (Entitlements) trading ends</b>	<ul style="list-style-type: none"><li>▪ Wednesday, 14 February 2018</li></ul>
<b>Offer closes</b>	<ul style="list-style-type: none"><li>▪ 5:00pm (WST) on Wednesday, 21 February 2018</li></ul>
<b>Issue date</b>	<ul style="list-style-type: none"><li>▪ Thursday, 1 March 2018</li></ul>

\* WST means Western Standard Time. The Entitlement Offer Timetable is 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, the Company in conjunction with the Underwriter reserves the right to either, generally or in particular cases, extend the closing date of the Entitlement Offer, to accept late applications or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

# Pro-forma Balance Sheets



## Pro-forma Balance Sheet at 31 December 2017 (Consolidated)\*

	31 Dec 2017	Net Proceeds of Offer	31 Dec 2017 Pro-forma
	A\$M	A\$M	A\$M
Cash (non-restricted)	12.3	19.8	32.1
Restricted Cash	1.8	-	1.8
Receivables	0.5	-	0.5
Prepayments	0.1	-	0.1
Available for Sale Assets	2.7	-	2.7
Fixed Assets	11.3	-	11.3
Exploration and Evaluation	94.2	-	94.2
Development Properties	17.1	-	17.1
Mineral Properties	1.4	-	1.4
<b>Total Assets</b>	<b>141.4</b>	<b>19.8</b>	<b>161.2</b>
Payables	2.0	-	2.0
Finance Leases	0.4	-	0.4
Provisions	30.4	-	30.4
<b>Total Liabilities</b>	<b>32.8</b>	<b>-</b>	<b>32.8</b>
<b>Total Equity</b>	<b>108.6</b>	<b>19.8</b>	<b>128.4</b>

- The Consolidated 31 December 2017 Balance Sheet presented in the table is yet to be reviewed by the Company's auditor
- Payables of \$2.0M includes financial settlement of disputed power charges at Lanfranchi
- Net proceeds from the Offer are approximately \$19.8M after expenses of \$1.1M

\*Pro-forma Consolidated Balance Sheet with the assets and liabilities of Horizon Gold Limited being consolidated in the Company's Balance Sheet as required under *AASB10 Consolidated Financial Statements*

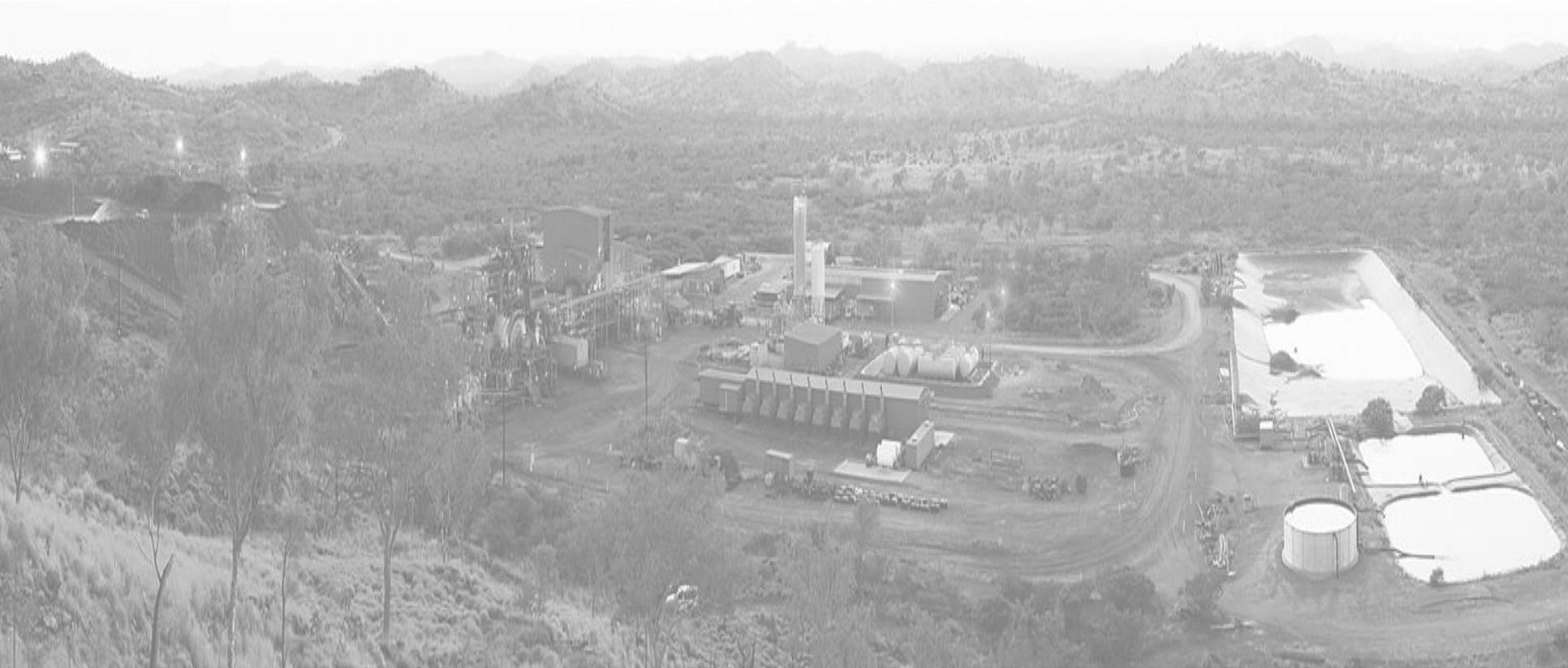
# Pro-forma Balance Sheet at 31 December 2017 (non-AIFRS)\*

	31 Dec 2017 AIFRS Consolidated	Non- AIFRS Adjust's	Net Proceeds of Offer	31 Dec 2017 Pro-forma (Non-AIFRS)
	A\$M	A\$M	A\$M	A\$M
Cash (non-restricted)	12.3	(8.4)	19.8	23.7
Restricted Cash	1.8	-	-	1.8
Receivables	0.5	-	-	0.5
Prepayments	0.1	-	-	0.1
Investment in Subsidiary	-	9.8	-	9.8
Available for Sale Assets	2.7	-	-	2.7
Fixed Assets	11.3	(4.3)	-	7.0
Exploration and Evaluation	94.2	(24.8)	-	69.4
Development Properties	17.1	-	-	17.1
Mineral Properties	1.4	-	-	1.4
<b>Total Assets</b>	<b>141.4</b>	<b>(27.7)</b>	<b>19.8</b>	<b>133.5</b>
Payables	2.0	(0.4)	-	1.6
Finance Leases	0.4	-	-	0.4
Provisions	30.4	(9.4)	-	21.0
<b>Total Liabilities</b>	<b>32.8</b>	<b>(9.8)</b>	<b>-</b>	<b>23.0</b>
<b>Total Equity</b>	<b>108.6</b>	<b>(17.9)</b>	<b>19.8</b>	<b>110.5</b>

- The non-AIFRS financial information presented in the table will not be reviewed by the Company's auditor
- Payables of \$1.6M includes financial settlement of disputed power charges at Lanfranchi
- Net proceeds from the Offer are approximately \$19.8M after expenses of \$1.1M

\*Pro-forma non-AIFRS Balance Sheet in which the cash, other assets and liabilities of Horizon Gold Limited have been de-consolidated and the Company's 51% equity interest (39,030,617 shares in Horizon Gold) recognised as an "Investment in Subsidiary"

# Nickel Assets



# Savannah Mine - Summary

## Mining and Processing

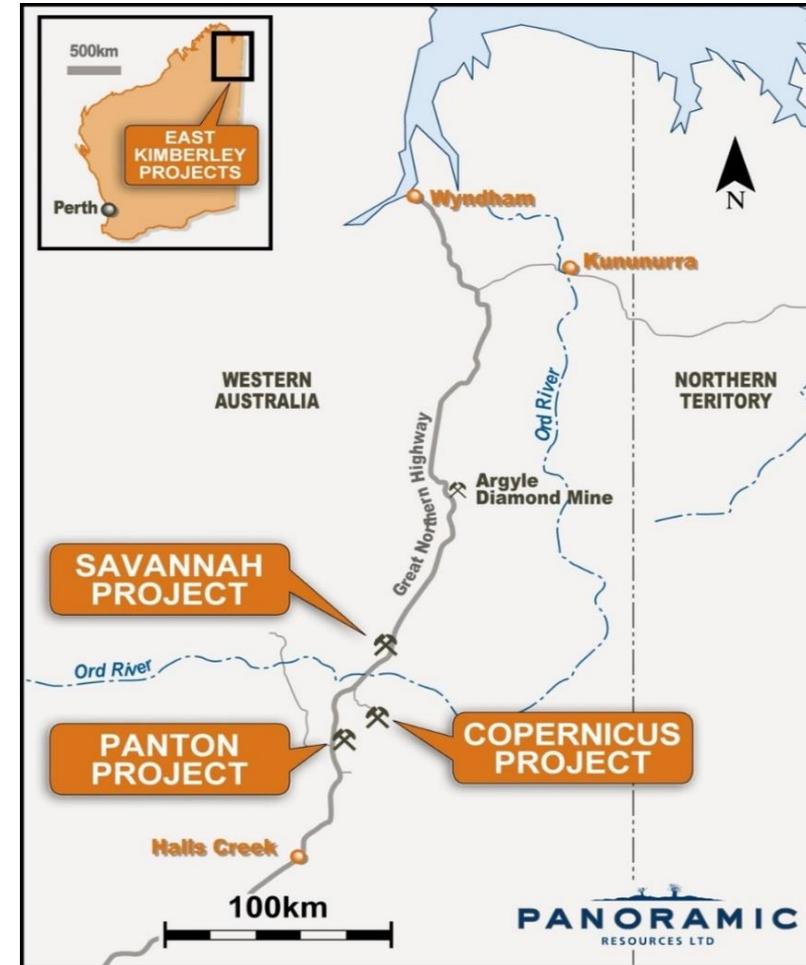
- Fully developed underground mine
- 1Mtpa processing plant (SAG mill and conventional flotation)
- Mining fleet, 200 person village & associated infrastructure
- Mined continuously for 12 years (2004-2016)
- **8.5Mt ore milled for 95kt Ni, 53kt Cu, 5kt Co in concentrate**
- Care and maintenance since May 2016
- Updated Feasibility Study for re-start delivered October 2017<sup>1</sup>
- Offtake with Sino/Jinchuan to March 2020

## Resources and Reserves<sup>2</sup>

- **Total Resources of 218,300t Ni, 99,100t Cu, 14,900t Co**
- **Total Reserves of 112,600t Ni, 52,400t Cu, 7,600t Co**

## Exploration upside

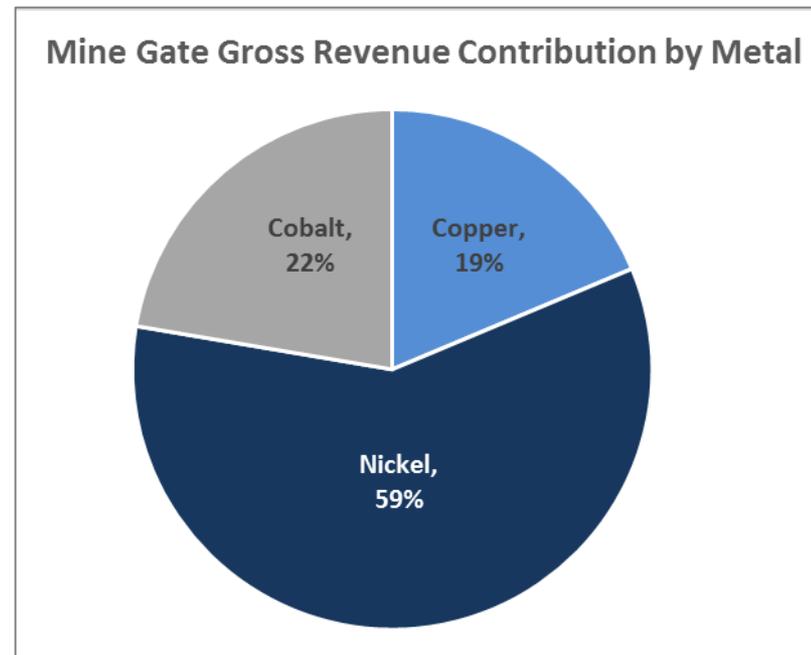
- Approximately half of interpreted extent of Savannah North Upper Zone untested by drilling
- Other mafic/ultramafic intrusives with little or no drilling



1. Refer Company ASX release dated 27 October 2017 titled "Updated Savannah Feasibility Study. Enhances fundamentals for a decision to restart"  
2. Refer Company ASX release dated 29 September 2017 titled "Mineral Resources and Ore Reserves as at 30 June 2017"

# Savannah Updated Feasibility Study – Base Case Summary<sup>1</sup>

- **Payable Operating Cash Costs** - US\$2.40/lb payable Ni
- **Sustaining Cash Costs** - US\$3.50/lb payable Ni
- **Pre-production and ramp-up capital** - A\$36M
- **Mine life** - 8.3 years
- **Average annual production forecast\***
  - 10,800t Ni
  - 6,100t Cu
  - 800t Co
- **Short lead time to production**
- **NPV** - \$210M
- **IRR** - 100%
- **Significant leverage to nickel, copper and cobalt prices**



## \*Cautionary Statement

Approximately 1.1% of nickel in the Production Target is from material classified as Inferred Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

1. Refer Company ASX release 27 October 2017 titled "Updated Savannah Feasibility Study. Enhances fundamentals for a decision to restart"

# Savannah Updated Feasibility Study - Key Resource and Production Statistics

Operating Metric	Details
Mineral Resources	13.2Mt @ 1.65%Ni, 0.75% Cu, 0.11% Co containing 218,300t Ni 99,100t Cu 14,900t Co
Mine Production	7.65Mt @ 1.42% Ni, 0.68% Cu, 0.10% Co containing 108,700t Ni 51,700t Cu 7,300t Co
Mine Life	8.3 years
LOM production <i>(metal in concentrate)</i>	90,200t Ni 50,700t Cu 6,700t Co
Annual production <i>(metal in concentrate)</i>	10,800t Ni 6,100t Cu 800t Co

- **Long mine life ~8.3 years** (excluding future Resource to Reserve conversion and exploration upside potential)
- **Significant nickel production**
  - averaging 10,800t nickel in concentrate over LOM
- **Significant by-product credits**
  - 41% of gross mine-gate revenue from copper and cobalt

The Mineral Resources and Ore Reserves underpinning the above production target have been prepared by a competent person or persons in accordance with the requirements of the JORC Code – refer to PAN's ASX announcements of 24 August 2016, 30 September 2016 and 2 February 2017.

# Savannah Updated Feasibility Study – Financial Results

Viable at Base Case, highly leveraged to commodity prices

Financial Metric	Units	Base Case	Long Term
Revenue	A\$M	1,470	1,720
Initial Capital	A\$M	36	32
LOM Capital (incl. initial capital)	A\$M	240	230
Operating costs plus royalties	A\$M	900	920
Pre-tax cashflow	<b>A\$M</b>	<b>330</b>	<b>570</b>
Pre-tax NPV (8% discount rate)	<b>A\$M</b>	<b>210</b>	<b>380</b>
IRR	%	100	200
C1 cash cost (Ni in concentrate basis)	A\$/lb Ni	1.90	2.10
	US\$/lb	1.50	1.60
Operating cash costs (payable Ni basis)	A\$/lb Ni	3.10	3.40
	<b>US\$/lb</b>	<b>2.40</b>	<b>2.60</b>
Sustaining cash costs (payable Ni basis)	A\$/lb Ni	4.50	4.80
	<b>US\$/lb</b>	<b>3.50</b>	<b>3.60</b>

- Commodity and FX assumptions used in the Base Case model reflective of October 2017 prices:

Commodity	Base Case	Long Term*
Nickel	US\$5.50/lb	US\$6.75/lb
Copper	US\$3.10/lb	US\$2.72/lb
Cobalt	US\$28.00/lb	US\$26.00/lb
US\$:A\$	0.78	0.76

- Revenue assumptions based on recent indicative sales terms received from potential offtake partners
- Discount rate 8%
- Modelling is pre-tax

\*Long Term Prices - The Long Term (LT) Real (2017\$) US\$ nickel and copper prices and the US\$:A\$ FX rate are consensus forecasts sourced from UBS Global I/O Miner Price Review, dated 5 October 2017. The LT Real (2017\$) US\$ cobalt price is sourced from Macquarie Bank Limited Research Report titled "Price Forecast Changes", dated 9 October 2017.

# Savannah Updated Feasibility Study - Leveraged to commodity prices and currency

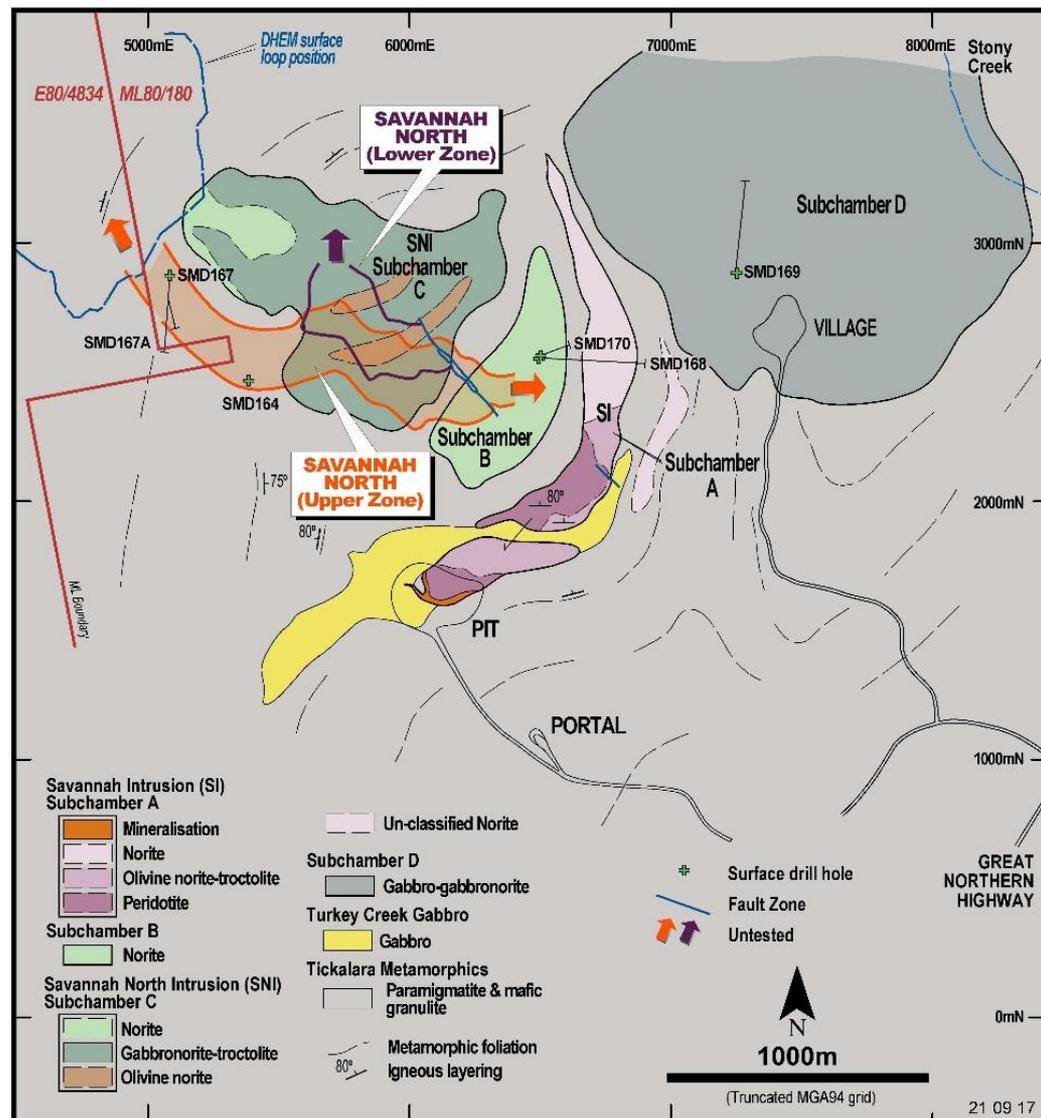
## Strongly leveraged to nickel price and US\$:A\$

- US\$1.00/lb increase in nickel price adds **~A\$160M** to pre-tax NPV
- US\$0.05 cent decrease in the US\$:A\$ exchange rate adds **~A\$50M** to pre-tax NPV

Pre-tax NPV <sub>8</sub> (\$'M)		Nickel Price US\$/lb)					
		5.00	6.00	7.00	8.00	9.00	10.00
US\$:A\$ FX Rate	0.65	270	453	635	790	946	1,102
	0.70	207	377	546	690	835	979
	0.75	153	312	469	604	739	874
	0.80	105	254	401	528	654	781
	0.85	63	203	342	461	580	699

# Savannah Upside – potential 2km strike at Savannah North

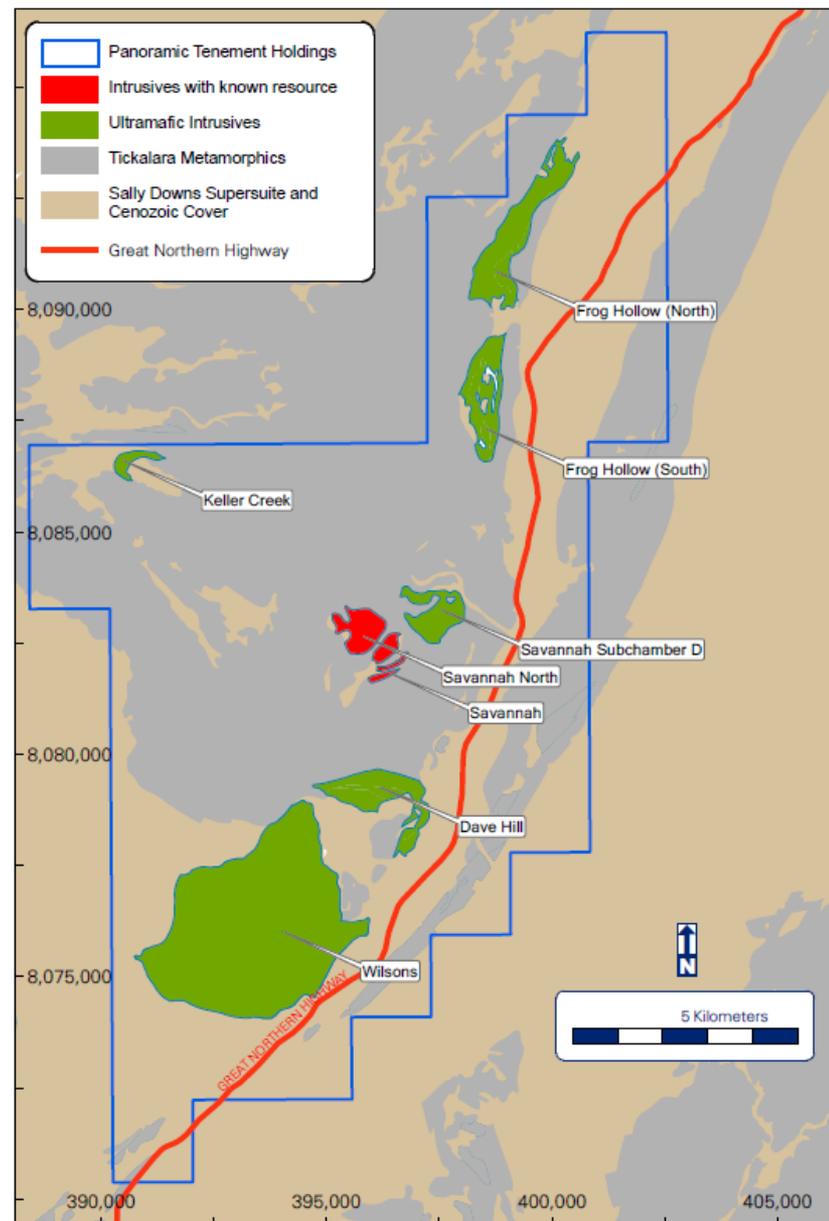
- **Resource open** - Savannah North Resource drilling programs have not closed off the mineralisation
- **Potential strike length of the Upper Zone is ~2km** based on the large, highly conductive on-hole EM responses identified in surface drill holes:
  - SMD164, Section 5400mE<sup>1</sup>
  - SMD167 & SMD167A, Section 5100mE<sup>2</sup>
- **Approximately half of the potential Upper Zone mineralisation has been tested by resource drilling**
- **The Lower Zone Resource remains open down dip to the north-west**



1. Refer Company ASX release dated 28 October 2015 titled "Quarterly Report for the Period Ending 30 September 2015"  
 2. Refer Company ASX release dated 31 January 2017 titled "Quarterly Report for the Period Ending 31 December 2016"

## Savannah Upside – Other Intrusions

- A number of other mafic/ultramafic intrusive bodies occur at the Savannah Project (Wilsons, Dave Hill, Subchamber D and Frog Hollow)
- Age dating indicates these are part of the same magmatic event as the Savannah / Savannah North mineralised bodies
- Dave Hill & Wilsons bodies are known to contain magmatic sulphides<sup>1</sup>
- Past drilling (shown below) has been minimal, and has not tested the most prospective basal parts of these intrusions:
  - Dave Hill - one 700m deep and five shallow core holes
  - Wilsons - one core and seven shallow RC holes
  - Subchamber D - one core hole
  - Frog Hollow – not previously drilled



1. Refer Company ASX release dated 28 April 2016 titled "Quarterly Report for the Period Ending 31 March 2016"

## Savannah – Intended Next Steps

- Ahead of a formal Board decision to restart operations, the Company intends to progress the following:
  - Negotiations with potential product offtake customers and project financiers
  - Engagement process for key project personnel
  - Formal tendering process for major contracts
  - Refurbishment of major plant and equipment, including processing plant
  - Order long lead items
  - Savannah North primary ventilation project

# Lanfranchi – Summary

## Mining

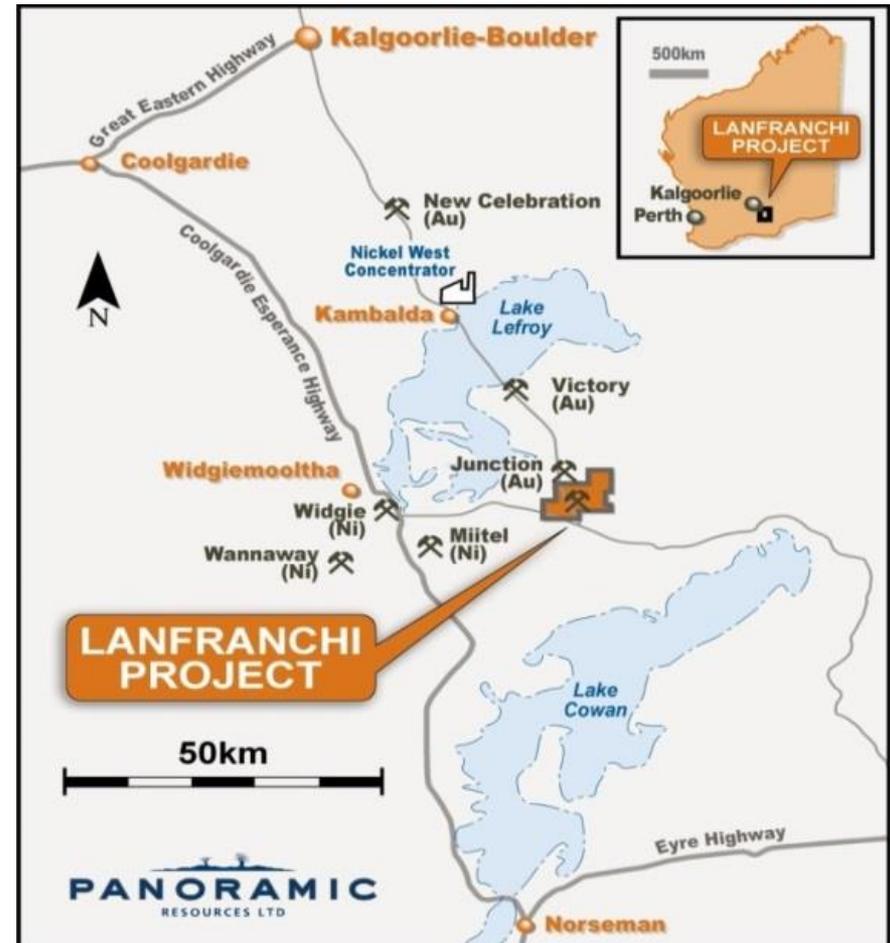
- Fully developed underground mine
- Mining fleet, village & associated infrastructure
- Mined continuously by PAN for 10 years (2005-2015)
- **3.85Mt ore mined containing 94kt Ni (PAN)**
- Care and Maintenance from November 2015
- Offtake with BHP Nickel West to February 2019

## Resources<sup>1</sup>

- **Resources plus past production: 280kt contained Ni**
- **Total Resources of 95,500t contained Ni**
- Lower Schmitz high-grade Resource of 6,700t contained Ni at 5.1% Ni

## Exploration upside

- Multiple exploration targets identified



1. Refer Company ASX release dated 29 September 2017 titled "Mineral Resources and Ore Reserves as at 30 June 2017"

# Lanfranchi – Exploration Potential

## Schmitz Channel – Lower Zone

- 700m below surface
- 9,000t Ni per 100m vertical\*
- Historic production of ~58,000t Ni

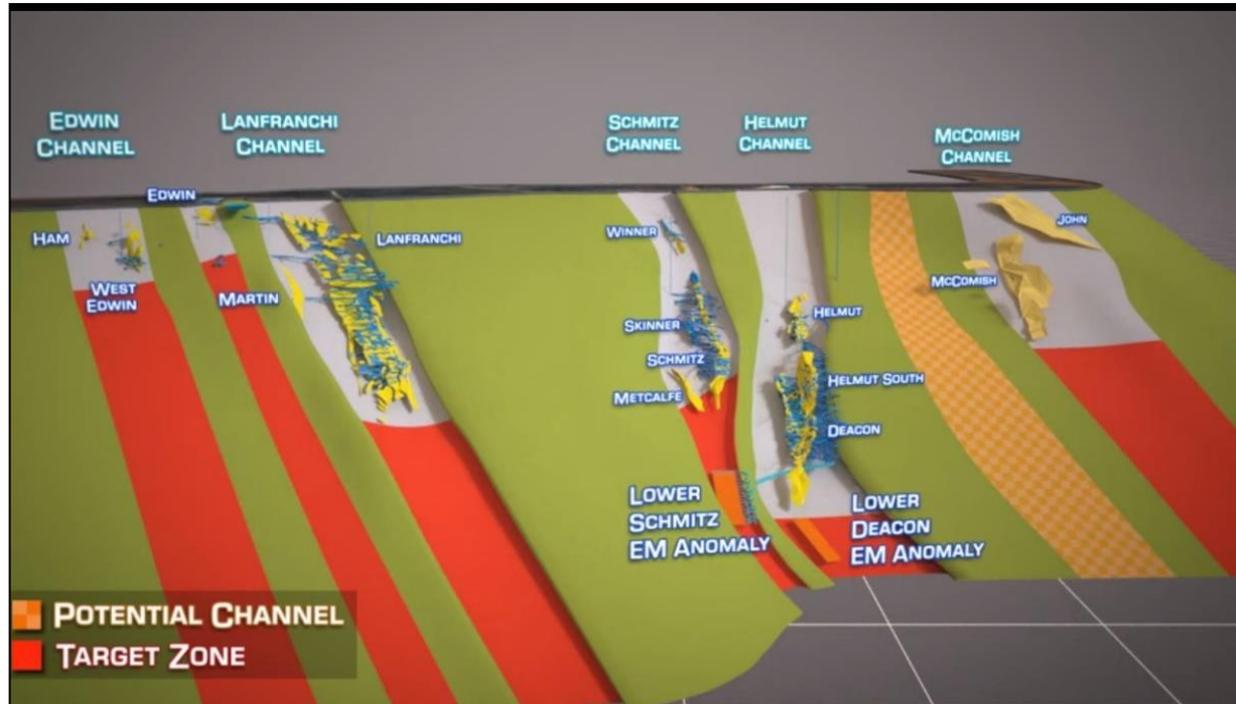
## Lanfranchi Channel

- 500m below surface
- 6,000t Ni per 100m vertical\*
- Historic production of ~39,000t Ni

## Helmut/Deacon Channel

- 900m below surface
- 20,000t Ni per 100m vertical\*
- Historic production of ~92,000t Ni

## Potential New Channels

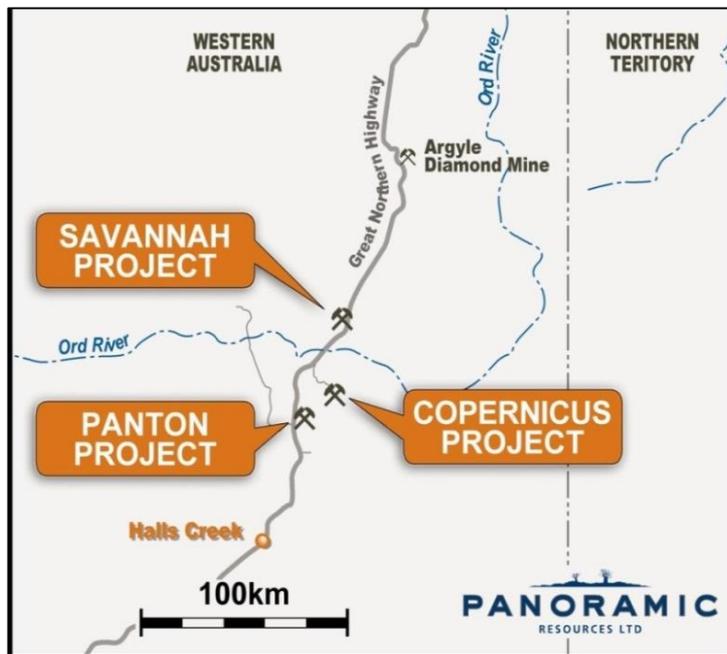


\*Historical Ni tonnes per vertical metre

# PGM Assets and Gold Investment



# Platinum Group Metals



## Panton

- Located 60km from Savannah

### Resources<sup>1</sup>

- 2.1Moz of Pt+Pd

### Feasibility Study by previous owner<sup>2</sup>

- Open pit plus underground mining
- 600,000tpa throughput rate
- 83,000oz Pt+Pd+Au per year

### Recent positive test work by Panoramic

- Improved recovery and concentrate grade
- Ore sorting

## Thunder Bay North

- Located in Ontario, Canada

### Resources<sup>1</sup>

- 0.7Moz of Pt+Pd

### Rio Tinto earn in and JV option

- Consolidates PAN's Thunder Bay North Project and Rio's Escape Lake Project
- Earn in Option - Rio spending up to C\$20M over 5½ years to earn 70% interest

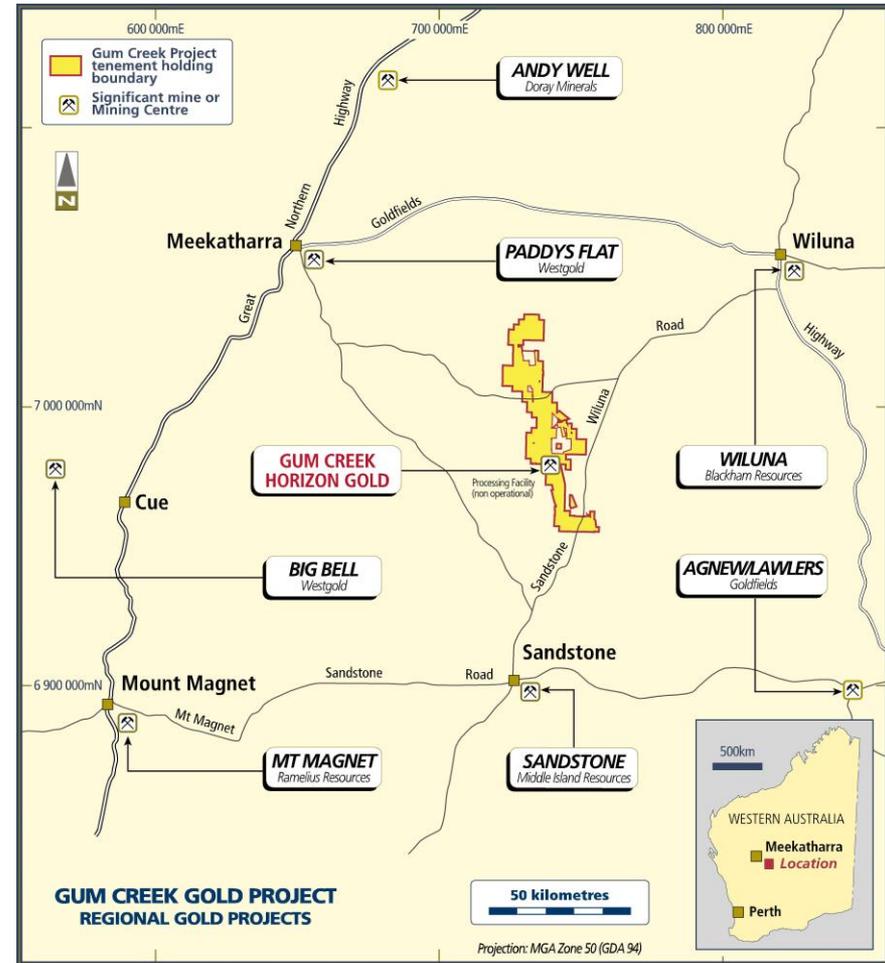


1. Refer Company ASX release dated 29 September 2017 titled "Mineral Resources and Ore Reserves as at 30 June 2017"

2. Refer Platinum Australia Limited (ASX: PLA) release dated 20 March 2012 titled "Panton Review Study Results"

# Horizon Gold (ASX:HRN) - Gum Creek Gold Project

- **IPO of Horizon, spun out from Panoramic**
  - Shares on issue 76.5M
  - Market capitalisation ~\$19M (at \$0.25/sh)
  - Cash (31 Dec 2017) ~\$8.4M
  - Enterprise value ~\$10.6M
  - Panoramic interest 51% (~39M shares)
- **Location** – 640km NE of Perth, Western Australia
- **Large tenement package** - covering large portion of the Gum Creek Greenstone belt
- **Historic production** - >1Moz gold
- **Significant Resources<sup>1</sup>** - 17.3Mt at an average grade of 2.25g/t Au for 1.25Moz
- **Drilling targets** – twenty prospect areas identified for follow-up RC and aircore drill testing
- **Recent significant drilling results<sup>2,3</sup>**
  - Psi - 7m @ 4.94g/t Au from 55m (GWRC462)
  - Toedter - 1m @ 20.6g/t Au from 133m (GWRC482)
  - Melbourne Bitter - 4m @ 3.38g/t Au from 76m (GPAC0922)
  - Follow-up drilling planned



1. Refer HRN ASX release dated 29 September 2017 titled “Mineral Resources as at 30 June 2017”
2. Refer HRN Quarterly Activities Report for the period ended 30 September 2017
3. Refer HRN ASX release dated 21 December 2017 titled “Gum Creek Project – Exploration Update”

# Key Risks



# Key Risks

## Entitlement Offer risks

### **Underwriting**

The Underwriting Agreement entered into by the Company with the Underwriter is subject to certain terms and conditions (see the Offer Booklet). If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement.

If the Underwriting Agreement is terminated and the Offer does not proceed or does not raise the funds required for the Company to meet its stated objectives, the Company would need to find alternative financing to meet its funding requirements. There is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions. Termination of the Underwriting Agreement could materially adversely affect the Company's business and financial position.

### **Market for Entitlements**

There can be no guarantee that there will be a market for Entitlements in which case Shareholders who do not take up their Entitlements may not receive any value for their Entitlements.

## Risks associated with Panoramic

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of the Company and its Directors and cannot be mitigated. Prior to deciding whether to apply for New Shares, Shareholders should read this entire Presentation and the Offer Booklet and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au), ASX: PAN) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects. Shareholders should also consider the summary risk factors set out here in which the Directors believe represent some of the general and specific risks that persons should be aware of when evaluating the Company and deciding whether to obtain or increase a shareholding in the Company. The risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

### **Care and maintenance**

The Company's Lanfranchi and Savannah projects are currently on care and maintenance. There is a risk that the expenses of care and maintenance could be more than estimated by the Company, or may be prolonged, which may have an adverse effect on the financial position of the Company.

### **Nickel, copper, cobalt prices**

A key factor for the Company in making a decision to restart its operations will be the Company's view on whether nickel, copper and cobalt prices have returned to sustainable levels that will provide an acceptable return in the future. Nickel, copper and cobalt prices fluctuate due to a variety of factors including supply and demand fundamentals, international economic and political trends, expectations of inflation, currency exchange rate fluctuations, interest rates, global or regional consumption patterns and speculative activities. There can be no assurance that nickel, copper and cobalt prices will return to levels such that the Company's deposits can be mined to provide an acceptable return in the future.

### **Recommissioning**

In the event the Company seeks to recommission its mining and processing operations, there is a risk that the associated recommissioning and ramp up may take longer than planned and that costs may be higher than anticipated.

### **Mineral Resource and Ore Reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available. Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to Mineral Resource and Ore Reserve estimates could affect the Company's future plans and ultimately its financial performance and value.

# Key Risks (Cont.)

## Mining

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. Any event that impacts on the production rates, is likely to reduce the quantity of ore mined and thereby reduce the amount of ore or concentrate available for sale. Events that could adversely impact on production rates include, but are not limited to:

- geotechnical and geological conditions;
- equipment availability, utilisation rates and failure;
- development rates at which relevant ore bodies are exposed; and
- scheduling constraints resulting from the interaction between various mining functions such as, drilling, blasting, bogging, loading & hauling and backfilling.

## Processing

The Company's future profitability is in part governed by its ability to recover key minerals from ore and then concentrate those minerals into a saleable product. Processing risk at Savannah includes mechanical failure in critical parts of the mill and an inability to achieve the targeted recovery of minerals from ore. Each of these events (were they to occur) could result in a reduced volume and/or off-specification concentrate being available for sale.

## Infrastructure, roads and transport

When operating, the Company requires access to road and port infrastructure. Transport is required to move consumables and equipment to its operations and ore or concentrate from its operations to customers. A prolonged event that restricts access to road and port infrastructure will delay the sale of product to the Company's customers with a consequential financial impact.

## Capital costs

The Company's October 2017 Updated Feasibility Study for Savannah includes estimates of capital expenditure required to return the project to operation, and to sustain operations over the life of mine. Key capital items include plant and infrastructure refurbishment costs, and the Savannah North Primary Ventilation circuit. There is a risk that these estimates may differ from the Company's actual future capital expenditure requirements.

## Operating costs

Increases in operating costs may impact the profitability of the Company's operations. When in production, the Company will be exposed to movements in operating costs, including but not limited to:

- Salaries;
- Fuel (for mobile equipment and power generation);
- Reagents and consumables; and
- External contractors.

## Tailings storage

Tailings are the waste generated by the processing of ore to concentrate. The Company has environmental obligations associated with its existing tailing storage facility at Savannah whilst it remains on care and maintenance. If the Company returns to production at Savannah, then given the expected life of mine at Savannah, approval for additional tailings storage capacity will be required in the future.

## Contractors

The Company intends to use a range of external contractors and service providers to support its future operations if it returns to production. There is a risk that the Company may not be able to engage contractors or service providers on acceptable terms, and that financial failure or default by any of the contractors or service providers used by the Company in any of its activities may impact on operating and/or financial performance.

# Key Risks (Cont.)

## Services and utilities

The Company's operations require a consistent and reliable range of services including the supply of electricity and diesel fuel. At the Savannah Project, diesel fuel is used to generate electricity which is essential for the operation of the underground mine and the processing plant.

## Customers

The Company has offtake agreements for Savannah concentrate until March 2020 and Lanfranchi ore until February 2019. There is a risk that future offtake contracts may not be able to be negotiated on favourable terms. If and when the Company's projects recommence operations, if an offtake party reneged on its contractual obligations or otherwise failed to pay for ore or concentrate delivered, or declined to receive further product this would have a consequential effect on the Company's financial position. If necessary, in the short to medium term, the concentrate could potentially be sold into the spot market on uncertain terms and pricing. In the long term, new customers for the ore or concentrate would need to be secured with no guarantee that similar pricing or payment terms could be obtained from a new customer.

## Joint venture parties

The Company is a party to a farm-in agreement with Rio Tinto Exploration Canada Inc. (RTEC) in relation to its Thunder Bay North Project (TBN), located in Canada. Under the agreement, RTEC has the right to earn a 70% interest in TBN by spending C\$20 million over five years from January 2015, subject to a minimum commitment of C\$5 million before being able to withdraw. RTEC has satisfied the minimum commitment and there is always a risk that RTEC may withdraw from the Project by giving notice as required under the farm-in agreement.

## Listed Investment Risks

Panoramic holds shares in a number of listed companies, including a 51% shareholding in Horizon Gold Limited. There are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities. The past performance of these listed companies is not necessarily an indication as to future performance of these companies as the trading price of shares can go up or down.

## Savannah restart funding requirements

The Company requires further funding in addition to the proceeds from the Offer to be able to return Savannah to full operation and is currently exploring a range of funding alternatives. Although the Company believes that additional funding can be obtained, no assurances can be made that appropriate funding will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional funding as needed, it may be required to delay a resumption of its operations and this could have a material adverse effect on the Company's activities.

## Tax review

The Australian Taxation Office (ATO) has recently chosen the Company for a Streamlined Assurance Review for income tax, for the income years ended 30 June 2014, 2015 and 2016. The ATO's review will focus on the overall tax performance of the business, the type, size and locations of the Company's major business activities, and the Company's tax risk management and governance framework. The outcomes of the review process include whether the Company has paid the right amount of tax, and met its reporting and lodgement obligations. The review is expected to commence in February 2018.

# Key Risks (Cont.)

## **General Risks**

Mineral exploration and mining may be hampered by circumstances beyond the control of the Company and are operations which by their nature are subject to a number of inherent risks. As the Company's Savannah and Lanfranchi projects remain on care and maintenance while it progresses restart studies and other activities, it remains subject to a range of general mineral exploration and technical risks associated with establishing mineral resources, reserves and ultimately, returning to profitable mining operations. These include the general risk factors set out below.

### **Commodity prices and USD:AUD exchange rates**

The Company's nickel assets are currently on care and maintenance and there can be no assurance that nickel, copper and cobalt prices will be such that its deposits can be mined to provide an acceptable return in the future. Nickel, copper and cobalt prices fluctuate due to a variety of factors including supply and demand fundamentals, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns and speculative activities.

The Company also holds interests in PGM assets, the commercial viability of which remain subject to market forces consistent with those relevant to the nickel market. There is a risk that adverse movements in the prices for PGMs could impact upon the future prospects of the Company's PGM assets.

Similarly, demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact foreign currency exchange rates. These factors may have a positive or negative effect on the Company's project development and production plans and activities together with the ability to fund those plans and activities.

### **Future capital requirements**

If, apart from the Savannah restart, the Company's requires future capital, any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price (or Entitlement Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. No assurances can be made that appropriate funding, if and when needed, will be available on terms favourable to the Company or at all.

### **Key personnel**

A number of key personnel are important to attaining the business goals of the Company. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Company to conduct its business and, accordingly, affect the financial performance of the Company and its Share price. If and when the Company resumes mining and processing operations, it will need to recruit appropriated qualified, motivated and experienced personnel. Difficulties attracting and retaining such personnel may adversely affect the ability of the Company to conduct its business.

### **Liquidity risk**

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Entitlement Offer.

### **Economic factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and share price can be affected by these factors, which are beyond the control of the Company.

# Key Risks (Cont.)

## Stock market conditions

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares. General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

## Securities investment risk

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## Exploration risks

The success of the Company also depends in part on successful exploration programs leading to the delineation of economically minable reserves and resources, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

## Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made on tenements in which the Company has an interest. Such exploitation would involve obtaining the necessary licences, clearances and/or approvals from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

## Debtors' risk

There is a risk that the Company may be unable to recover amounts owed to it (or which may be owed to it in the future) by debtors, which may have an adverse effect on the financial performance of the Company.

## Native Title risk

The Native Title Act 1993 (Cth) (NTA) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. Native title may impact on the Company's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be grants of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title. If invalid because of native title, tenements granted prior to 1 January 1994 have been validated by the NTA. Tenements granted between 1 January 1994 and 23 December 1996, if invalid because of native title, are also likely to have been validated subject to satisfying criteria established in the NTA. For tenements that may still be subject to native title to be validly granted (or renewed) after 23 December 1996 the "right to negotiate" regime established by the NTA must be followed resulting in an agreement with relevant native title parties or a determination by an independent tribunal as to whether the tenement can be granted from a native title perspective. Alternatively an Indigenous Land Use Agreement may be entered into between the Company and relevant native title parties. An expedited regime not requiring agreement or determination by an independent tribunal may apply to some exploration tenements subject to satisfying criteria established in the NTA. The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining and exploration operations.

# Key Risks (Cont.)

## Insurance risks

The Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of risks associated with minerals exploration and production is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

## Competition

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

## Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration and production industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

## Environmental risk

The operations and activities of the Company are subject to the environmental laws and regulations of Australia and Canada. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations on any of its tenements. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and performance.

## Weather and climate risk

The current and future operations of the Company operations, may be affected by restrictions on activities due to seasonal weather patterns, flooding and cyclonic activity.

## Regulatory risks

The Company's operations are subject to various Federal, State and local laws, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Company will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with exploration and production.

## Tax and royalties risk

Changes to income tax (including capital gains tax), GST, stamp duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change following the date of this offer document or adversely affect the Company's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

Changes to the royalty regime in Western Australia or any other place where the Company might produce minerals in the future may have a consequential effect on the Company's financial performance.

## Key Risks (Cont.)

### **Closure and rehabilitation risk**

At the completion of each of its mining operations, the Company is required to rehabilitate and otherwise close that operation in accordance with relevant laws and an approved plan. There is a risk that the cost of, or time taken to, rehabilitate or otherwise close any mining operation may be more expensive or take longer than originally planned with a consequential effect on the Company's financial performance.

### **War and terrorist attacks risk**

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a consequential effect on the Company's financial performance.

### **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Entitlements or New Shares.