

New Concentrate Sales Agreement for Savannah

Panoramic Resources Limited (“**Panoramic**” or “**Company**”) is delighted to announce that Sino Nickel Pty Ltd (“**Sino Nickel**”), Jinchuan Group Co., Ltd (“**Jinchuan**”) and Savannah Nickel Mines Pty Ltd (a wholly owned subsidiary of Panoramic) have executed a new four-year Concentrate Sales Agreement, which covers 100% of the concentrate that may be produced from the Savannah Nickel-Copper-Cobalt Project (the “**Project**”).

Details of the New Concentrate Offtake

Savannah Nickel Mines Pty Ltd has executed a new Concentrate Sales Agreement (“**Agreement**”) with Sino Nickel (a joint venture company owned 60% by Jinchuan and 40% by Sino Mining International Limited).

This new Agreement replaces the Extended Concentrate Sales Agreement (dated 26 March 2010), which was due to expire on 31 March 2020. The terms of the new Agreement will be applicable from the first shipment of concentrate from the recommissioned Savannah Project and incorporate improved payabilities for certain contained metals compared to the 2010 Extended Concentrate Sales Agreement. Panoramic believes that the terms of the Agreement are highly competitive in the global market for Savannah’s bulk nickel-copper-cobalt concentrate, based on the bids for the concentrate received from a number of parties and the knowledge that the market for nickel concentrates has tightened significantly in the past 12 months.

The general terms and conditions of the new Agreement are as follows:

- Product – sulphide concentrate with a typical specification of 8% Ni, 4.5% Cu, 0.6% Co, 46% Fe, <1.0% MgO;
- Quantity (in-bulk) – 100% of production from the Savannah Project;
- Load Port – Wyndham, Western Australia;
- Payable metals – Ni, Cu and Co;
- Price basis – agreed % of LME cash price for Ni and Cu and agreed % of Metal Bulletin Co price; and
- Life of new contract - 4 years commencing from the date of the first shipment or 31 March 2019, whichever occurs first.

Between 2004 and 2016 the Company shipped over 1.2 million dry metric tonnes (dmt) of nickel-copper-cobalt concentrate, worth in-excess of US\$1.4 billion, from Wyndham Port through to Jinchuan’s smelter/refinery in Gansu province, northwest China. Panoramic is delighted to have completed the new offtake arrangements with Jinchuan/Sino Nickel on mutually agreed terms, which further cements the already strong relationship between the organisations. Based on the long association with Jinchuan/Sino Nickel and the competitive terms of the new Agreement, it is Panoramic’s view that the unique characteristics of the Savannah concentrate (payable Ni, Cu and Co, low MgO, and no penalty elements) make it an ideal feed for Jinchuan’s smelter.

The new Agreement, which will cover concentrate produced from the Savannah and Savannah North orebodies, is an important condition precedent to restarting the Savannah Project. Now that the new offtake has been concluded, the finalisation of the Project debt financing is the last remaining condition precedent to the Board making the decision to restart the Project. Negotiations with potential financiers on the debt funding are progressing well and the Company should be a position to make an announcement on Project debt funding shortly.

Jinchuan Group Limited

Jinchuan is a Chinese state-owned enterprise located in Jinchang City, Gansu Province, northwest China with total assets of US\$18 billion (2017). Jinchuan mines, smelts and refines nickel and copper sulphide ores and currently has an installed capacity of 150,000 tonnes per annum (“tpa”) nickel, 800,000 tpa copper and 10,000 tpa cobalt.

Sino Mining International Limited

Sino Mining International Limited (“**Sino Mining**”) is a resource investment and trading company controlled by China Minmetals Group. Sino Mining’s business charter is to secure raw material supplies for the Chinese non-ferrous metals industry and to take strategic investments in resource projects outside China. As at 30 May 2018, Sino Mining had total assets of US\$132 million. Sino Mining has a long-term alumina supply agreement with Alcoa under which it regularly ships smelter grade alumina to China. Sino Mining also owns the agency business, Sino Mining Trading, which facilitates raw materials trading.

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 and Savannah Projects were placed on care and maintenance in November 2015 and May 2016 respectively pending a sustained recovery in the nickel price. After delivering an updated feasibility study on the Savannah Project in October 2017 and with the much-improved nickel price environment and outlook, the Company is now moving towards a restart of operations at Savannah.

Following the successful development of the nickel projects, the Company diversified its resource base to include platinum group metals (PGM) and gold. 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. Following the ASX listing of Horizon Gold Limited (ASX Code: HRN) in December 2016, the Company’s interest in gold consists of an indirect investment in the Gum Creek Gold Project located near Wiluna through its 51% majority shareholding in Horizon.

At 31 March 2018, Panoramic had \$22.9 million in available and restricted 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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