

30 July 2018

Quarterly Report for the period ending 30 June 2018

Significant Points

GROUP

- Safety – no lost time injuries

NICKEL

Savannah

- Savannah Project restart decision made – Phase Two pre-production activities now underway and fully funded
- Project Debt Financing – up to A\$40 million project loan term sheet executed with Macquarie and mandatory hedging completed
- Concentrate Sales Agreement – new four-year sales contract signed with Jinchuan /Sino Nickel Group
- Various Phase One pre-production activities completed or nearing completion:
 - Refurbishment of the processing plant by MACA Interquip ongoing and due for completion in September
 - Relocation of mobile equipment, fixed plant and stores from Lanfranchi completed
 - Savannah village dry mess kitchen refurbished, accommodation facilities being upgraded
- Savannah North ventilation intake rise – foundation works nearing completion, pilot hole drilling to commence in August
- Exploration - Drilling underway on four prospective layered ultramafic intrusions near Savannah

Lanfranchi

- Project remains on care and maintenance
- Holding costs being offset by rental of accommodation village
- Expressions of interest to purchase sought

GOLD

Gum Creek (51% indirect)

- Exploration and evaluation studies ongoing
- Project and corporate management being provided by Panoramic staff on a cost recovery basis

PGM

Panton

- Studies ongoing to assess the viability of producing a PGM concentrate and a chromite by-product stream

Thunder Bay North

- Discussions on exploration results and future plans for the Project ongoing

CORPORATE

- Systems and procedures updated in readiness for the Savannah Project restart

Group Summary

Safety

No lost time injuries.

Environment

There were no significant environmental incidents recorded and the operations were maintained within all statutory, regulatory and licence conditions.

Nickel – Savannah Project

Savannah Project Restart

On 16 July 2018, the Company announced that it had formally made the decision to restart operations at the Savannah Project (refer to the Company's ASX announcement of 16 July 2018). The decision to reopen the mine was made on the basis that the last two remaining conditions precedent for a restart had been satisfied:

- signing of a new four-year Concentrate Sales Agreement with Jinchuan Group Co. Ltd / Sino Nickel Pty Ltd; and
- Macquarie Bank Limited providing a secured, credit approved project loan of up to A\$40 million, thereby ensuring the Savannah Project restart is fully funded.

The securing of an offtake customer and the project debt financing are both significant milestones for the Company and the Savannah Project. The Savannah Project had been placed onto indefinite care and maintenance in June 2016, as a result of the severe downturn in the nickel price in the preceding 12 months (*Figure 1*). The rationale at the time was to preserve the remaining accessible Savannah Resource and to progress on the completion of a Feasibility Study on the Savannah North deposit while waiting for a sustained recovery in the US\$ nickel price. This was a prudent decision, given that the US\$ nickel price traded below US\$5.00 a pound for the remainder of 2016 and for most of 2017 (*Figure 1*).

The release of the Update Savannah Feasibility Study in October 2017 coincided with the beginning of a recovery in the US\$ nickel price (refer to the Company's ASX announcement of 27 October 2018 and Appendix 3 for details on the Updated Savannah Feasibility Study). The recovery in the nickel price has been due to a combination of stronger than forecast stainless steel production in 2018, falling LME inventories and a positive outlook for nickel demand. The forecast growth in electric vehicle (EV) production and the fact that most EV batteries require a high nickel component has led to a fundamental shift in sentiment for nickel demand and this has translated to a higher nickel price forecasts for the foreseeable future by many industry analysts.

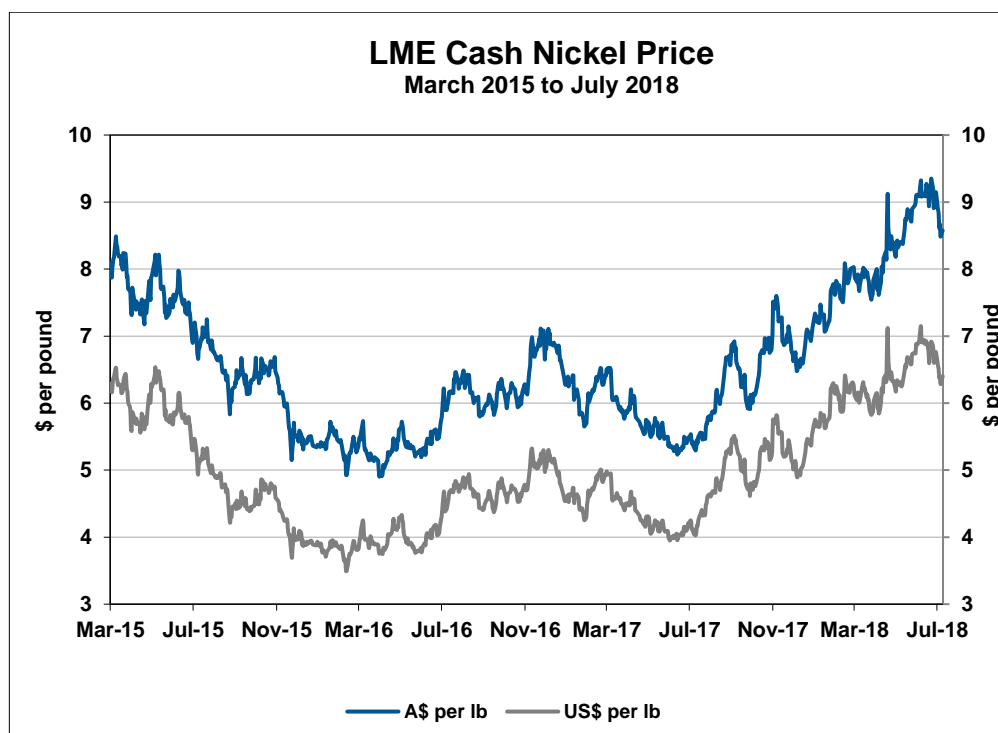


Figure 1

New Concentrate Sales Agreement

In late June 2018, Jinchuan Group Co. Ltd ("Jinchuan") and Sino Nickel Pty Ltd ("Sino Nickel") executed a new four-year Concentrate Sales Agreement with Savannah Nickel Mines Pty Ltd (a wholly owned subsidiary of Panoramic). This Agreement, covers 100% of the concentrate that will be produced from the Savannah Project from early 2019 (*refer to the Company's ASX announcement of 29 June 2018*) and 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 (targeting first quarter of 2019) and incorporates improved payabilities for certain contained metals compared with 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.

Once commissioned the Savannah Project will ramp up to full production over 15 months to a forecast Life-of-Mine (LOM) average annual production rate of 10,800t Ni, 6,100t Cu and 800t Co metal contained in concentrate (*refer to the Company's ASX announcement of 27 October 2017 for further details on the production targets*).

The securing of new offtake arrangements with Jinchuan/Sino Nickel on mutually agreed terms further cements the already strong relationship between the parties. It is the Company's understanding 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.

Project Debt Financing Secured

On 13 July 2018, Panoramic (Guarantor), Savannah Nickel Mines Pty Ltd (Borrower) and Macquarie Bank Limited agreed the terms of a credit approved term sheet for secured Project Finance Facilities (project loan and commodity/US\$:A\$ FX hedging facility) for the development, working capital and associated costs of the Savannah Project (*refer to the Company's ASX announcement of 16 July 2018*).

The terms of the project loan are as follows:

- Principal – up to A\$40 million;
- Margin – very competitive for a financing of this style;
- Availability – upon execution of full documentation and satisfaction of limited conditions precedent;
- Repayment Schedule – quarterly repayments commencing 31 March 2020, to allow development across to Savannah North;
- Final Repayment – 31 December 2021;
- Loan Covenants and project ratios– customary for this size of facility; and
- Loan Security – the Savannah Project.

The nickel and copper hedging lines consist of mandatory and discretionary hedging. The mandatory hedge program has been completed, being 7,000t Ni for delivery between February 2019 and June 2021 at an average achieved forward price of A\$8.51 per pound and 3,000t Cu for delivery between February 2019 and June 2021 at an average achieved forward price of A\$3.71 per pound.

The combination of the A\$20.9 million (before costs) equity raising in February 2018 via the 1 for 7 Entitlement Offer and the Macquarie project loan of up to A\$40 million means the Savannah Project restart is fully funded.

Phase One Pre-Production Activities Update

Funds from the equity raising in February 2018 enabled the Company to commence and progress the various critical-path Phase One pre-production activities during the quarter, as detailed in the Entitlement Offer Prospectus (*refer to the Company's ASX announcement of 24 January 2018*). Several of these Phase One activities have been completed or are nearing completion as described below.

Process Plant

Engineering firm, MACA Interquip, commenced refurbishment activities on the process plant with a small team in late April (*Figure 2*).

Activities undertaken during the quarter included:

- Pumps removed for offside repairs or replacement;
- Damaged or corroded steel parts removed and new fabricated steel installed on chutes, liners, beams, bars and skirts;
- Repair and reconditioning/relining of flotation tanks, tails thickener and final tailings hopper;
- Inspection and assessment of the concentrate filter with parts repaired and some new parts ordered;
- Lifting and reconstruction of the crusher apron feeder;
- Sand blasting and painting around the gravity structure and mill discharge;
- Removal and replacement of damaged pumps and piping on the paste plant;
- Structural works on the crusher to SAG mill conveyor;
- New On-Stream Analyser (OSA) ordered; and
- Painting of new installed fabricated steelwork, as required.

It is planned that the refurbishment work being undertaken by MACA Interquip will be completed by the end of the September 2018 quarter.



Figure 2: MACA Interquip Team at the Savannah Process Plant – April 2018

Relocation of Lanfranchi stores and heavy mobile equipment

In April 2018, four contract fitters were deployed to the Lanfranchi Project to inspect and select suitable store and heavy mobile equipment to be transferred to Savannah. These fitters have remained on-site at Savannah to undertake repairs and maintenance on the Savannah heavy mobile fleet.

The Lanfranchi equipment was successfully transported and relocated into the Savannah store warehouse by mid-May. At the same time as the relocation was taking place, the Company upgraded the Savannah stores management software, including the use of bar coding scanners for the receipting of consumables and spare parts.

Village

Camp contractor, Northern Rise Village Services Pty Ltd, was engaged in June 2018 to carrying out maintenance work on the Savannah village. In early July, the kitchen floor was replaced and parts of the electrical switching replaced. Plumbing works around the village is ongoing. Local indigenous contractors have also been employed to upgrade the village, including gardening and maintenance work on the accommodation units.

Savannah North Ventilation Intake Rise

In April, an access road to the Savannah North ventilation intake was completed, which enabled DDH1 Drilling Pty Ltd to mobilise and prepare the site for the construction of the ventilation intake collar and the drilling of the pilot hole.

Following a geo-technical inspection of the site in early June, a local contractor constructed the ventilation intake collar (*Figure 3*). RUC Cementation Mining Contractors Pty Ltd ("RUC") has recently been awarded the contract to drill the raise borehole pilot hole and to construct and install the Savannah North 5m raise as part of the Phase Two pre-production activities.



Figure 3: Pouring concrete at the Savannah North Ventilation Intake – July 2018

Phase Two Pre-Production Work Activities

The decision to restart the Savannah Project has enabled the Company to commit to and commence the various Phase Two pre-production activities. The nearer term pre-production activities and equipment purchases include:

- Employee on-boarding and HR management system implementation;
- Tailings storage facility wall lift;
- Wyndham concentrate storage shed repairs;
- New CAT 2900 production loader;
- Production drill and agitator truck;
- Remote control systems for loaders;
- Concentrate haulage trailers and prime movers;
- Updated IT equipment and software, village WiFi and underground communications; and
- Laboratory equipment.

Savannah Exploration

In the previous quarterly report, the Company reported that exploration activities would resume at Savannah during the 2018 calendar year (*refer to Company's ASX announcement of 30 April 2018*). The impetus for this resumption has come from research by CSIRO Mineral Research on the Sub-Chamber D, Dave Hill and Wilsons intrusions. The CSIRO research concluded that these layered mafic-ultramafic intrusions were being emplaced at the same time and by the same magmatic event that was responsible for the emplacement of the mineralised Savannah and Savannah North intrusions. In addition to the three identified intrusions, Panoramic highlighted other intrusions about Savannah at Frog Hollow, Three Nuns, Anomaly A, Northern Ultramafic Granulite, Norton and Oxide that also warrant exploration (*Figures 4 and 5*). As a result, the Company has expanded its tenement holding around Savannah to include the Norton Intrusion located to the north of the Savannah Project (*Figure 4*).

Up to \$4 million is budgeted on the 2018 Exploration Program, and drilling commenced in May 2018. The initial work consists of broad-spaced stratigraphic diamond drilling and associated DHEM surveys on the following intrusions:

- Sub-Chamber D (located on the Savannah Project Mining Leases);
- Dave Hill / Wilson Complex and;
- Frog Hollow.

The aim of the drill testing is to determine the 3D architecture of the intrusions and, if they exist, the location of the more prospective ultramafic (high MgO rich) phases within each intrusion. If justified and once the more prospective ultramafic phases have been identified, additional holes will be drilled to test these prospective areas for nickel sulphide mineralisation.

During the quarter, three holes (SMD172, 173 and 174) were completed across the Wilson intrusion for a total of 2,246 drill metres (*Figure 4*). DHEM surveying of completed holes will be undertaken in campaigns, with the first survey scheduled to commence late July 2018. Details of the drill holes completed during the quarter are shown in Appendix 1 and the JORC 2012 Compliance Tables are provided in Appendix 2.

Figure 4 – Savannah Project Plan showing location of prospective mafic-ultramafic intrusions and planned 2018 drill holes.

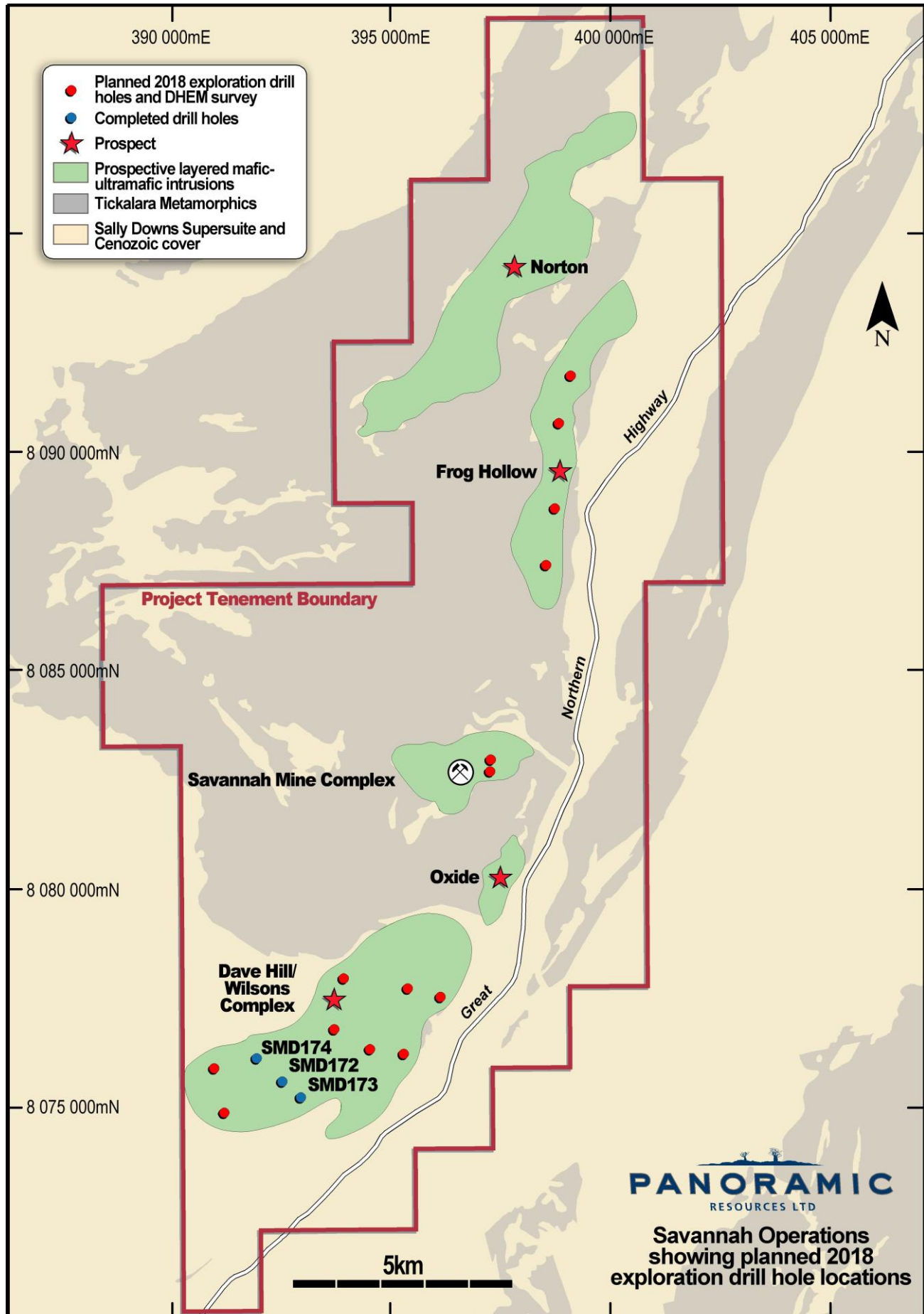
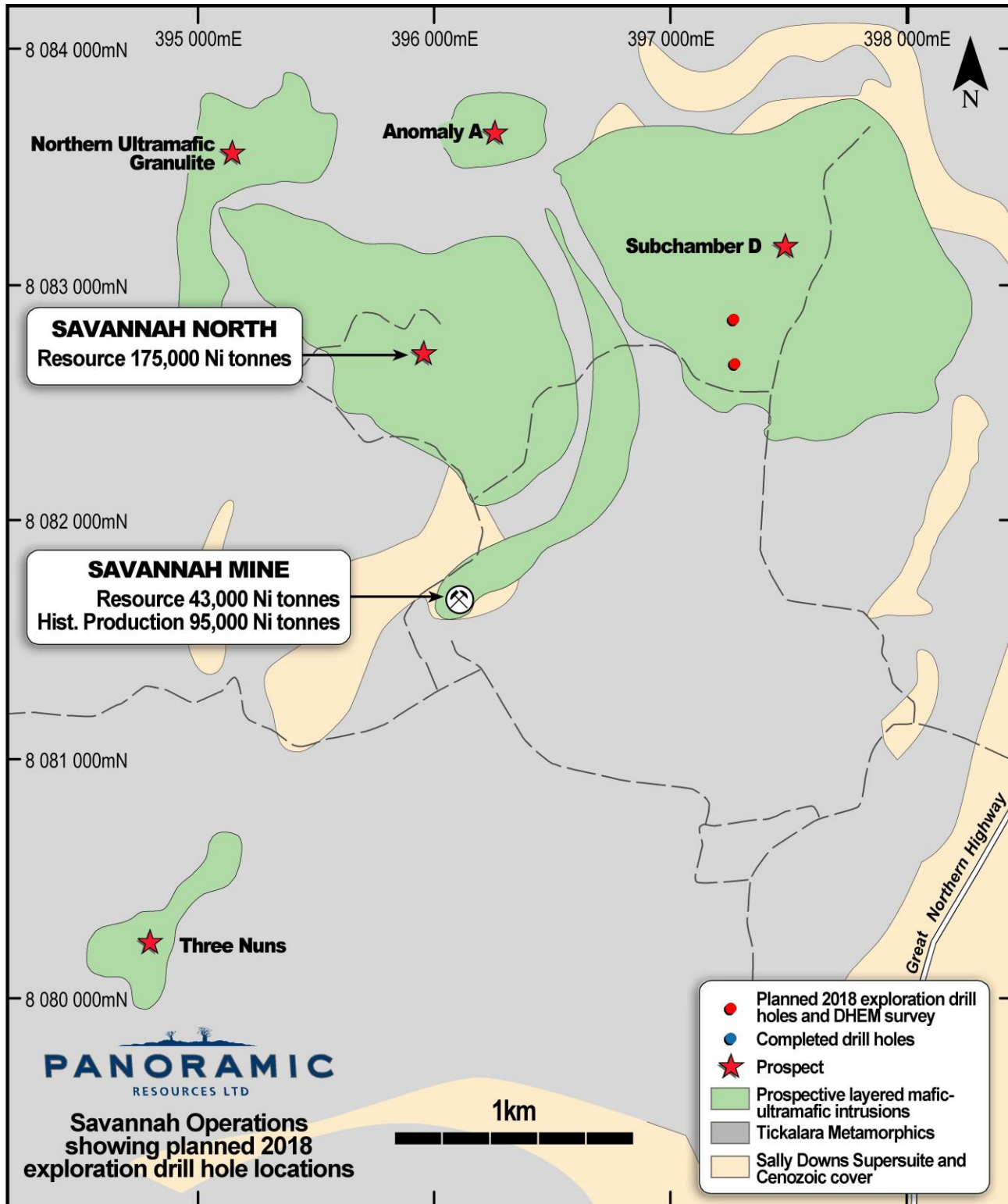


Figure 5– Savannah Mine Complex Plan showing location of prospective mafic-ultramafic intrusions and planned 2018 drill holes.



Nickel – Lanfranchi Project

General

The accommodation village lease has been extended to 31 March 2019, generating income while the Project remains on care and maintenance.

Exploration

No exploration was undertaken at Lanfranchi during the quarter.

Future Options

The Lanfranchi Project has Mineral Resources of approximately **5.65 million tonnes at an average grade of 1.69% Ni for 95,500 tonnes of nickel contained**, with approximately half of the Resource classified in the 'Measured' or 'Indicated' categories (*refer to the Company's ASX announcement of 30 September 2016*).

The Lower Schmitz deposit contains a Resource of **131,000t at 5.1% Ni for 6,700 tonnes of nickel contained** (*refer to the Company's ASX announcement of 28 April 2016*). The Lower Schmitz mineralisation is confined within a pronounced "channel-like" zone, approximately 100m wide. The Lower Schmitz mineralisation, averages 5-6% Ni, and is consistent throughout the channel zone, with evidence to indicate that a steep west dipping fault has displaced mineralisation at depth to the NNE or SSW. To confirm this displacement, a program of drilling and associated downhole EM surveys is required to test for possible mineralisation offsets.

The other mineralised komatiite channels at Lanfranchi also remain open at depth, including the Lanfranchi, Deacon, East Deacon and Schmitz channels and all require further drill testing.

Given that the Company's primary focus is restarting Savannah, exploration at Lanfranchi is not a priority and various options are being considered for Lanfranchi including:

- retain ownership and undertake further exploration at a later date;
- seek a joint venture partner to fund exploration activities; and/or
- divestment of the asset.

Expressions of interest to purchase the Lanfranchi Project were sought during the quarter with the assistance of Hartleys Limited. At this time no decision on the preferred strategy for the project has been made.

PGM – Thunder Bay North Project

The Thunder Bay North (TBN) Project is located near Thunder Bay in northwest Ontario, Canada. The TBN Project Resource contains 10.4Mt at 1.13g/t Pt and 1.07g/t Pd for ~0.4Moz Pt and ~0.4Moz Pd (*refer to the Company's ASX announcement of 30 September 2016*) with exploration potential at depth and along strike.

In 2015, Rio Tinto Exploration Canada Inc. (RTEC) commenced a farm-in whereby RTEC can earn a 70% interest in the TBN Project by sole funding C\$20 million in expenditure over five years, with a minimum spend of C\$5 million. In January 2017, RTEC confirmed that it had achieved the minimum spend of C\$5 million on the Project.

Panoramic and RTEC are continuing discussions on the exploration results and on future plans and strategy for the Project.

PGM – Panton Project

Panton is located 60km south of the Savannah Nickel Project in the East Kimberley region of Western Australia. Panton is a significant PGM Resource containing ~1.0Moz Pt at 2.2g/t and ~1.1Moz Pd at 2.4g/t (*refer to the Company's ASX Announcement of 30 September 2015*) with exploration potential at depth and along strike.

Panoramic considers the Panton Project to be a quality development asset which fits within the Company's commodity diversification and growth strategy and is a key part of its Kimberley Hub concept.

In addition to continuing to sponsor research by Curtin University on alternative PGM leaching methods applicable to Panton ore, the Company is studying the viability of producing a high grade PGM concentrate together with a chromite by-product stream. The results of a preliminary test-work program to investigate the possibility of producing the chromite by-product stream are expected to be available in the September 2018 quarter.

Gold – 51% investment in Horizon Gold/Gum Creek Project

The Company has an indirect interest in the Gum Creek Project through its 51% majority equity interest in Horizon Gold Limited (ASX Code: HRN). The market value of this investment in Horizon at 30 June 2018 was approximately \$6.0 million.

Exploration activities are ongoing at Gum Creek (*refer to Horizon's June 2018 quarterly report for further details*). Under the October 2016 Management Agreement, Panoramic staff are providing management services to Horizon on a cost recovery basis.

Corporate

Cash

Group Cash at the end of the quarter totalled \$19.6 million. The movement in the cash position included the following transactions:

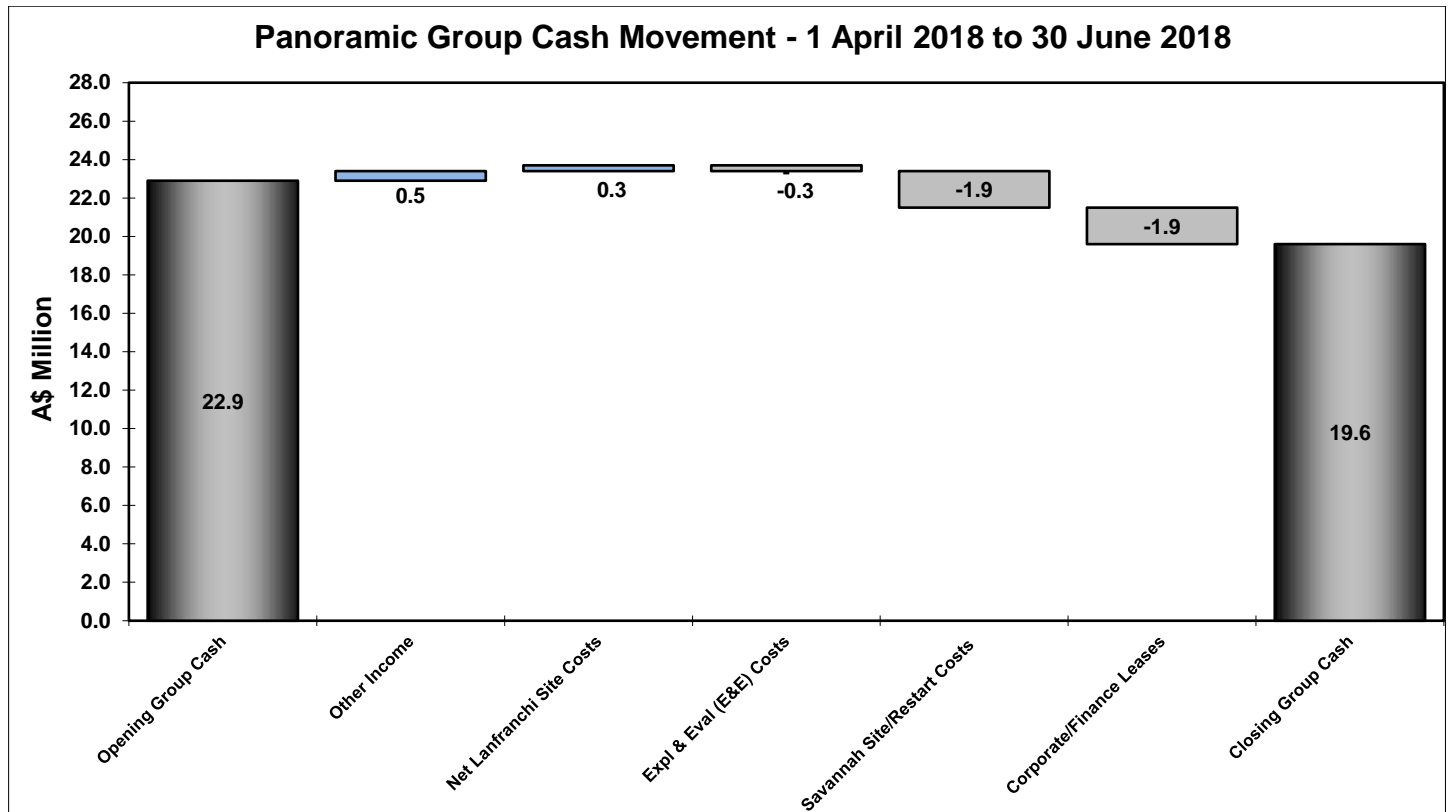
- \$0.3 million net rental income from the Lanfranchi village;
- \$0.2 million income from sub-leasing office space at the Perth office;
- \$0.2 million AusIndustry refund on FY2017 research and development activities;
- \$0.3 million on exploration activities (including tenement rents and rates); and
- \$1.9 million on C&M and pre-production restart costs at Savannah.

Aggregate movements in the Group Cash balance over the quarter are shown in Figure 6.

At 30 June 2018, \$1.3 million was cash-backed against the drawn amount on the Company's performance bond facility.

Ongoing updates on systems and procedures were undertaken during the quarter in readiness for the Savannah Project restart.

Figure 6 – Panoramic Group Cash Movement (June 2018 Quarter)



Perth Office

The Company is currently updating its administrative systems and procedures in preparation for a restart of operations at Savannah.

Office resources and corporate overheads continue to be shared with Horizon Gold Limited.

Competent Person

The information in this release that relates to Exploration Targets, exploration 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 to shares 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.

No New Information or Data

This release 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 Resource and Ore Reserve estimates, 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.

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, securing an offtake customer and putting in place project financing for up to A\$40 million in July 2018, the Company has made the decision to restart operations at Savannah.

Apart from the nickel, copper and cobalt inventory at Savannah and Lanfranchi the Company has a diversified resource base including 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 30 June 2018, Panoramic had \$19.6 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.

**For further information contact:
Peter Harold, Managing Director
+61 8 6266 8600**

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Appendix 1

Summary of Drilling Results

2018 Savannah Exploration Program – Tabulation of Drill Hole Data and Assay Results

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept (Ni)	Cu (%)	Co (%)
SMD172	392552	8075596	2400	-75	128.5	843.8			Not sampled		
SMD173	392957	8075214	2400	-75	128.5	666.7			Not Sampled		
SMD174	391952	8076119	2400	-70	128.5	730.9			Not Sampled		

Notes:

The holes reported above are broad-spaced stratigraphic surface diamond exploration holes. No significant mineralisation was intersected by the holes, consequently they were not sampled.

Appendix 2

2012 JORC Disclosure Tables

2018 Savannah Exploration Program - Table 1, Section 1 - Sampling Techniques and Data

Criteria	Comments
Sampling techniques	<ul style="list-style-type: none"> Exploration holes about Savannah are typically diamond cored holes, sampled according to lithological/geological zones of interest. All diamond core is geologically logged with samples, if collected, typically between 0.2 metre to 1 metre long defined by geological contacts.
Drilling techniques	<ul style="list-style-type: none"> Diamond coring
Drill sample recovery	<ul style="list-style-type: none"> Diamond core recoveries are logged and recorded in the database. Overall recoveries are typically >99%.
Logging	<ul style="list-style-type: none"> All diamond holes are geologically logged in full. Geotechnical logging is also carried out for recovery and RQD. Recorded core logging attributes include lithology, colour, mineralisation, structural and other features. All core is photographed.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Analytical core samples, if collected are dominantly sawn half NQ2 samples. All core sampling and sample preparation follow industry best practice. Sample preparation includes pulverising to 90% passing 75 µm followed by a total 4 acid digest with an ICP OES finish.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Not applicable.
Verification of sampling and assaying	<ul style="list-style-type: none"> Not applicable.
Location of data points	<ul style="list-style-type: none"> Diamond drill hole collars pertaining to this announcement were positioned using a hand-held GPS. Coordinates are expressed in MGA GDA94 Zone 52 coordinates. RL equals AHD + 2,000m.
Data spacing and distribution	<ul style="list-style-type: none"> Exploration drill holes are spaced on a geological basis as opposed to a nominal drill hole spacing.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Not applicable.
Sample security	<ul style="list-style-type: none"> Not applicable.
Audits or reviews	<ul style="list-style-type: none"> Not applicable.

2018 Savannah Exploration Program - Table 1, Section 2 - Reporting of Exploration Results

Criteria	Comments
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Savannah Project, incorporating the Savannah and the Savannah North deposits, is secured by five contiguous Mining Licences, ML's 80/179 to 80/183 inclusive. Surrounding the Mining Licences, Panoramic has several exploration tenements. All tenure is current and in good standing. Panoramic has the right to explore for all commodities within the mining and exploration tenements.
Exploration done by other parties	<ul style="list-style-type: none"> Since commissioning the Savannah Nickel Mine in 2004, Panoramic has conducted all recent exploration on the mine and surrounding exploration tenements.
Geology	<ul style="list-style-type: none"> The Savannah and Savannah North Project deposits are Ni-Cu-Co rich magmatic sulphide deposits developed within palaeo-proterozoic mafic/ultramafic magma chonoliths. The Ni-Cu-Co rich massive sulphide mineralisation typically occurs as "classic" magmatic breccias developed about the more primitive, MgO rich basal parts of the chonoliths. Panoramic conducts exploration for similar style mineralisation through-out the East Kimberley region of Western Australia.
Drill hole Information	<ul style="list-style-type: none"> Exploration conducted on the mine leases adopts the mine grid system, which is a "4 digit" truncated MGA grid. Conversion from local to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000. RL equals AHD + 2,000m Exploration conducted outside the immediate mine grid area utilises the MGA GDA94 Zone 52 coordinate system. For all hole details pertaining to this release including collar setup details see the Tabulation of Drill Hole Data table above in Appendix 1.
Data aggregation methods	<ul style="list-style-type: none"> Not applicable
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Not applicable.
Diagrams	<ul style="list-style-type: none"> Based on the level of data currently available, it is Panoramic's view that a simplified plan view showing the location of the drilling is appropriate.
Balanced reporting	<ul style="list-style-type: none"> Not applicable.
Other substantive exploration data	<ul style="list-style-type: none"> No other exploration data is considered substantive for inclusion at this stage.
Further work	<ul style="list-style-type: none"> The exploration results reported herein form part of an ongoing exploration program by Panoramic to explore for Savannah style mineralisation outside of the Savannah and Savannah North mine areas. Further disclosures will be made when additional information becomes available.

Appendix 3

Savannah Project Updated FS

The October 2017 Updated Feasibility Study ("Updated FS") (refer to the Company's ASX announcement of 27 October 2017) demonstrates a financially robust project with a long mine life, modest pre-production capital and competitive operating cash costs, as shown in Tables 1 and 2 below.

Table 1 – Updated FS Resource and Production Summary

Operating Metric	October 2017 Savannah Updated FS
Mineral Resource	13.2Mt @ 1.65% Ni, 0.75% Cu and 0.11% Co for 218,300t nickel, 99,100t copper and 14,900t cobalt
Mine Production*	7.65Mt @ 1.42% Ni, 0.68% Cu and 0.10% Co for 108,700t nickel, 51,700t copper and 7,300t cobalt
Mine Life	8.3 years
Life-of-mine metal in concentrate production	90,200t Ni, 50,700t Cu and 6,700t Co
Average annual metal in concentrate production	10,800tpa Ni, 6,100tpa Cu and 800t Co

*Approximately 1.1% of nickel in the Updated FS production target is from material classified as Inferred Resource. The maximum annual proportion of contained nickel derived from Inferred Resources is 2.4%, in Year 5 of the mine plan. Refer to the Company's ASX announcement of 27 October 2017 for further details.

Cautionary Statement

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 targets themselves will be realised.

Table 2 – Updated FS Financial Summary (Base Case and Long-Term (LT) US\$ commodity prices / US\$:A\$ FX rates)

Financial Metrics	Units	Base Case Prices	Long Term Prices*
Commodity Price Assumption - Ni	US\$/lb	5.50	6.75
Commodity Price Assumption - Cu	US\$/lb	3.10	2.72
Commodity Price Assumption - Co	US\$/lb	28.00	26.00
US\$:A\$ Exchange Rate Assumption	US\$	0.78	0.75
Revenue	A\$M	1,470	1,720
Up-front Capital (pre-production)	A\$M	36	32
LOM Capital (inclusive of up-front capital)	A\$M	240	230
Operating costs plus royalties	A\$M	900	920
Pre-tax cash flow	A\$M	330	570
Pre-tax NPV (8% discount rate)	A\$M	210	380
IRR	%	100	200
C1 cash costs (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
	US\$/lb	2.40	2.60
Sustaining cash costs (operating cash costs plus sustaining capital, payable Ni basis)	A\$/lb Ni	4.50	4.80
	US\$/lb	3.50	3.60

* The LT (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 Research Report titled "Price Forecast Changes", dated 9 October 2017.