

21 September 2018

RESTART ON TRACK

Savannah Ni-Cu-Co Project targeting 1st concentrate shipment in Q1 2019

Highlights

- Financing - Facility Agreement executed with Macquarie, first drawdown planned for late October 2018
- Revenue - project on track for first concentrate shipment early in the March 2019 Quarter
- Processing - plant refurbishment is on schedule with commissioning scheduled to commence in October 2018
- Tailings - work has commenced on the 3m lift of the existing facility, scheduled for completion in November 2018
- Ventilation - raisebore mobilised and drilling of the pilot hole for the ventilation rise has commenced
- Mining - mine services have been re-established and recommissioning of mobile plant is on schedule
- Recruiting - recruiting and onboarding of necessary site personnel advanced
- Community - strong local community support for the restart of Savannah

Details

Panoramic Resources Limited (“Panoramic” or the “Company”) is pleased to provide the following update on the Company’s wholly owned Savannah Nickel/Copper/Cobalt Project in the Kimberley region of Western Australia. Significant progress has been made at site with the first concentrate shipment on track for early in the March 2019 quarter.

Commenting on the progress, Panoramic’s Managing Director Peter Harold said “with the decision to restart made on 16 July 2018, following the signing of a new four-year Offtake Agreement with Sino Nickel (the Jinchuan/Sino Mining JV) and securing the \$40 million Project Financing Facility with Macquarie Bank, activities have increased significantly on site. The process plant refurbishment, which commenced in the March 2018 quarter, is on track and we have now committed to all other site works required for the restart of operations and development of the Savannah North orebody, including the ventilation rise, the tailings storage wall lift and recommissioning of other site infrastructure. We have commenced the recruitment drive and have had overwhelming interest from potential employees.

Directors

BRIAN PHILLIPS

Non-Executive Chairman

PETER HAROLD

Managing Director

JOHN ROWE

Non-Executive Director

PETER SULLIVAN

Non-Executive Director

NICHOLAS CERNOTTA

Non-Executive Director

REBECCA HAYWARD

Non-Executive Director

TREVOR ETON

CFO / Company Secretary

FULLY FINANCED



4 YEAR
HIGHLY COMPETITIVE
OFFTAKE AGREEMENT

SHORT LEAD TIME TO PRODUCTION



6-9 MONTHS

PRODUCTION PER ANNUM

10,800t Ni
6,100t Cu
800t Co

MINE LIFE



+8 YEARS

RESOURCES

218,300t Ni
99,100t Cu
14,900t Co

The Human Resources Team is doing an excellent job and we have secured key personnel as we ramp up to the full complement of around 250 personnel. The team on site is doing an outstanding job as activities pick up and we move towards operational readiness. We are excited about being back in production and generating cash flow after a 2½ year hiatus.”

Project Financing

The Facility Agreement for the project loan of up to \$40 million has been executed with Macquarie Bank Limited.

As previously advised, the mandatory initial hedge program was a Condition Precedent to drawdown of the loan and has been executed. The initial hedge is 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.

Other Conditions Precedent to allow drawdown to occur are expected to be satisfied during September or early October 2018. First drawdown of the loan funds is scheduled for late October 2018.

Process Plant Refurbishment

Onsite plant refurbishment continues under the management of MACA Interquip. Current activities include:

- refurbished pumps installed;
- apron Feeder 2 rebuilt, Apron Feeder 1 will be completed once crusher works are finished;
- SAG mill structural and mechanical inspection undertaken and necessary repairs completed;
- rubber lining repairs in the flotation tanks continuing;
- steel repairs in the ROM bin and surge bin underway;
- refurbishment of the filter press commenced; and
- sand blasting and painting around the plant continues.

It is planned that recommissioning of the processing plant will commence in October 2018.



Re-installing the surge bin following installation of new liners



New rubber lining in the flotation cells

Ventilation Rise

RUC Cementation has mobilised to site following completion of the collar works for the ventilation intake rise. Drilling of the pilot hole commenced ahead of schedule on 28 August 2018 and is scheduled to take 3-4 months to complete.



Raisebore drilling the pilot hole for the ventilation intake rise



Panoramic Senior Mining Engineer Lilong Chen on the Raisebore drilling platform

Tailings Storage Facility Rise

Earthworks for the 3m lift on the tailing storage facility have commenced and are scheduled for completion during the December 2018 quarter.



Earthworks continue on the 3m lift of the tailings storage facility

Mining

The underground mine is in excellent condition having been well maintained by the Care and Maintenance crew. In preparation for the restart of mining operations during the December 2018 quarter, the following activities have been completed or are underway:

- mine services re-established;
- safety infrastructure including refuge chambers, escapeways and deluge systems have been audited and any necessary repairs and/or upgrades have been completed or are scheduled for completion shortly;
- the Emergency Response capabilities are being ramped up, as required;
- mobile plant recommissioning continues with the majority of the equipment now operational; and
- various senior mining positions have been filled.

Operational Readiness

The Company is continuing to recruit and onboard personnel in line with the recommissioning and ramp up timetable. In addition to various contractors on site, the Company currently has approximately 30 Savannah employees who are focused on operational readiness activities including:

- health and safety;
- environment;
- mining;
- processing;
- maintenance; and
- stores.

The Company held information sessions in local communities during August 2018 and support and enthusiasm for the restart of Savannah is strong.



Community meeting in Halls Creek showed strong community support for the restart of Savannah

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 project financing for up to A\$40 million in July 2018, the Company made the decision to restart operations at Savannah. The project is ramping up with the first shipment of concentrate scheduled for early in March 2019 quarter.

On 13 September 2018, the Company announced it had agreed to sell Lanfranchi to Black Mountain Metals for \$15.1 million in cash. The sale is expected to settle during the December 2018 quarter with the funds used to strengthen the balance sheet.

Apart from the substantial nickel, copper and cobalt inventory at Savannah 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.

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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.