

4 April 2019

SAVANNAH OPERATIONS UPDATE

Panoramic Resources Limited (“Panoramic” or the “Company”) is pleased to provide an operational update on the Savannah nickel-copper-cobalt Project for the month of March 2019*.

Key Points

- Production improvement initiatives showing results
- Development rates improved by 55%, with 300m achieved for the month
- Mining rates improved by 60%, with 41,886t ore hauled from underground
- Ore tonnes milled of 50,132t, up 125% on February
- Metal recoveries improving, nickel averaged ~80%, copper ~87% and cobalt ~84%
- Second shipment of 6,157wmt departed Wyndham on 22 March, next shipment scheduled for 22/23 April

Operations Update

Overview

The Savannah operations reported an improvement in performance during March as equipment availability improved, less unscheduled down time was recorded, more emphasis was placed on planning and the positive results from various production initiatives implemented in late February started to come through.

While March production was materially better than February, mine production was still ~25% below forecast due primarily to a lack of available stopes, a carryover from delays in commissioning the paste plant in February, equipment availability, especially the charge up wagon and underground loaders and further unscheduled power outages.

Mining and milling rates are forecast to increase to 60,000-65,000t ore per month in the June 2019 quarter. Further improvements in mobile equipment availability, more mining stopes coming on line and a ramp up in the volume of paste filling underground will assist in achieving forecast production.

Mining

Mining activities saw a turnaround in performance in March 2019 after a poor February. A total of 41,886t of ore was hauled together with 27,448t of waste for a combined total of 69,334t. Mining operations benefited from:

- Paste plant being fully commissioned;
- Re-optimised planning and scheduling;
- Improving equipment availability, especially with the trucking fleet assisted by the early delivery of the first of the two new 60t underground trucks;
- Improved explosive quality; and
- Implementation of various production improvement initiatives.

* Unless otherwise required, future operational updates will be released on a quarterly basis

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

A number of mining consultants attended site, assisting management to identify and implement productivity improvements to achieve forecast mining rates. Additional technical and senior mining staff have been employed to further improve mine planning, scheduling, cost control and day to day operations.

Processing Plant

Mill throughput showed a significant improvement in March with 50,132t ore (unreconciled) processed, notwithstanding milled tonnes were ~25% below forecast. Nickel recoveries averaged ~80% compared to 73% in February, a good result considering the plant was still blending in some remaining oxidised ore and there were a number of unscheduled shutdowns. Significantly, the process plant did exceed 85% nickel recovery in late March. Copper recovery averaged ~87% and cobalt ~84% for the month. Recovery improvement initiatives are continuing.

Concentrate Shipping

The second shipment departed Wyndham on 22 March with a concentrate cargo of 6,157wmt and an invoice value of US\$5.1 million (A\$7.2 million). The next vessel is scheduled to commence loading on 22/23 April.

Savannah North Development

Total mine development in March was 300m, an improvement on the 193m achieved in February, although forecast development was ~420m. This improvement was achieved through a combination of additional jumbo operators, the introduction of independent firing in the Savannah North twin declines, improved equipment availability and better short term planning and execution. A strategy to further increase development rates is being implemented in April.

In relation to the 900m ventilation shaft, the raiseborer continued to experience blocky ground during March, resulting in slow penetration rates which has the potential to delay the completion date by several months. The decision was made late in the month to reduce the reamer diameter from 5.0m to 4.5m to improve penetration rates. The ventilation shaft is now due to be completed late in the December 2019 quarter, provided forecast advancement rates are achieved. External ventilation consultants have confirmed that reducing the diameter to 4.5m will still facilitate the required ventilation for planned production rates from Savannah North.

Improvement Initiatives

As previously advised (*refer to the Company's ASX announcement of 6 March 2019*), the following key productivity improvement initiatives have been introduced, or are in the process of being implemented:

- Improving equipment availability - augmenting the mobile fleet with two new loaders and two new 60t trucks;
- Employing additional technical and management staff - to assist with all aspects of the mining and processing operations;
- Reviewing the mining schedule – to determine the ability to increase production to compensate for the slow ramp up; and
- Personnel - filling the remaining vacancies of the permanent workforce.

Summary

The Savannah project showed an improvement in performance in March, which is a credit to the team at Savannah. Improved productivity trends need to be sustained to achieve the forecast 60,000-65,000t per month of ore mined and milled in the June 2019 quarter. The twin decline development to access Savannah North remains a high priority to ensure ore production from Savannah North is achieved on time. Various options in relation to improving the development rate of the twin declines have been considered and the approved strategy will be implemented during April.

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 tonnes mined and milled, ore grade or recovery rates from those assumed in production 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.



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 in July 2018, the Company made the decision to restart operations at Savannah with first concentrate shipped from Wyndham on 13 February 2019. The Lanfranchi Project was sold in December 2018 for a total cash consideration of \$15.1 million, providing additional financial support for the reopening of the Savannah Project.

Apart from the 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 31 March 2019, Panoramic had ~\$21 million in available and restricted cash. The Company has fully drawn down against the \$40 million project financing facility with Macquarie Bank.

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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