

Preliminary June 2019 Quarterly Statistics

Key Points

- **Safety** – significant improvement in performance, **no LTIs recorded**
- **Development** – 869m, **up 38% on the previous quarter**
- **Ore Milled** – 140,806t at 1.27% Ni, 0.64% Cu and 0.06% Co, **up 15% on the previous quarter**
- **Metallurgical Recoveries** – 84.8% Ni, 91.1% Cu and 88.2% Co, **Ni recovery up 19% on the previous quarter**
- **Metal Production** – 1,518t Ni, 814t Cu and 80t Co in concentrate, **Ni up 64% on previous quarter**
- **Concentrate shipped** – 21,467dmt, **up 68% on the previous quarter**
- **Savannah North Development** – improvement in twin decline and raise bore advance rates
- **New Equity** – 1 for 13 pro-rata rights issue and placement to Zeta raised \$17.4M before costs
- **Lanfranchi** – Black Mountain paid \$1.5M to settle the outstanding balance of purchase price early
- **Thunder Bay** – Benton Resources to buy Thunder Bay North for C\$9M, settlement expected Q3/Q4 2019
- **Group Cash** – \$26.6M in available and restricted cash
- **Nickel price** – has improved (spot US\$5.80/lb on 10 July), but remains volatile due to the US/China Trade Wars

Details

Safety

Safety performance at Savannah improved with no lost time injuries (LTIs) recorded.

Production

The ramp up of Savannah continued during the quarter with good progress in mining, paste filling and milling, albeit not yet at budget rates. Lateral development for the quarter was 869m compared to 628m for the previous quarter, a 38% improvement. Ore mined was 141,613t at 1.27% Ni, 0.61% Cu and 0.06% Co, up 31% on the previous quarter. Mined Ni grade was up 19%. Metallurgical recoveries improved with Ni recovery up 19% on the previous quarter at 84.8% which is close to target. Cu and Co recoveries also improved. Contained Ni production was up 64% to 1,518t Ni and concentrate shipped increased 68% compared to the previous quarter. Contained Ni metal shipped increased 66% to 1,471t. Attracting and retaining personnel remains a challenge.

Savannah North Development

To increase the advance rate of the Savannah twin declines, a contractor was mobilised during May and by June advance rates had improved. The penetration rates of the raise bore reaming the main ventilation rise were slow early in the quarter. The reaming head diameter was reduced to 4.1m which resulted in improvement penetration rates. As at 30 June 2019, the raise bore had advanced 96m. The ventilation rise is now scheduled for completion in early Q2 2020.

New Equity

The one for 13 pro rata rights issue and the conditional placement to Zeta (our major shareholder) were completed during the quarter, raising \$17.4 million before costs.

Lanfranchi Sale Proceeds

In early June, Black Mountain offered \$1.5 million to settle the outstanding purchase amount for Lanfranchi. The Company accepted the offer. The outstanding amount had been due in equal instalments once mining recommenced at Lanfranchi or by 1 January 2021, whichever was earlier.

Thunder Bay North

Benton Resources Inc. approached the Company seeking to acquire the Company's 100% owned Thunder Bay North PGM Project. In June, the Company accepted the purchase price of C\$9 million and a Letter Agreement was signed on 2 July 2019. Various conditions precedents are required to be met before settlement can occur. The Company is anticipating financial settlement during Q3/Q4 2019.

Group Cash

Group Cash (available and restricted) at the end of the quarter was \$26.6 million.

Quarterly Report

The full June 2019 Quarterly Report will be released in late July 2019.



Photo: New 65t Epiroc truck arriving at Savannah in June to augment the mobile fleet

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 re-commissioning 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, which is in the process of being sold to Benton Resources for C\$9 million. Following the ASX listing of Horizon Gold Limited (ASX Code: HRN) in December 2016, the Company's interest in gold is an indirect investment in the Gum Creek Gold Project located near Wiluna through its 51% shareholding in Horizon.

At 30 June 2019, Panoramic had \$26.6 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. Growth options for the Company include developing existing resources, discovering new ore bodies and acquiring additional projects.

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