

30 April 2018

Quarterly Report for the period ending 31 March 2018

Significant Points

GROUP

- Safety – no lost time injuries

NICKEL

Savannah

- Various pre-production activities underway including:
 - Refurbishment of the processing plant with contractor MACA Interquip on site
 - Relocation of mobile equipment, fixed plant and stores from Lanfranchi
 - Preparation of tender documents for various capital projects and key contracts
- Discussions continuing with shortlisted financiers, technical due diligence conducted
- Concentrate off-takers shortlisted, updated terms received prior to the selection of preferred party/parties
- Preparations underway to drill four prospective layered ultramafic intrusions in close proximity to Savannah

Lanfranchi

- Project remains on care and maintenance
- Holding costs being offset by rental of accommodation village
- Future options for Lanfranchi reviewed, Hartleys Limited appointed to assist

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

- Research work by Curtin University ongoing
- Studies underway 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

- Oversubscribed one for seven Renounceable pro-rata Entitlement Offer raised \$19.9 million after costs

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 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.

Following the positive results of the Updated FS, the improvement in commodity prices and the positive demand outlook from Electric Vehicle (EV) battery metals, especially for nickel and cobalt, the Company secured funding in February 2018 totaling \$19.9 million (after costs) via an Entitlement Offer to progress critical-path pre-production activities at the Savannah Project.

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.

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 for the Base Case and Long-Term US\$ commodity prices and US\$:A\$ FX rates (rounding to two significant figures)

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 Long Term (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 Limited Research Report titled "Price Forecast Changes", dated 9 October 2017.

Key Pre-Production Activities

Funds from the Entitlement Offer have enabled the Company to commence and progress various critical-path pre-production activities detailed in the Entitlement Offer Prospectus (refer to the Company's ASX announcement of 24 January 2018). These activities will facilitate a re-start of operations at Savannah in a short time frame once the decision to re-start is made.

Pre-production activities undertaken during the quarter included:

- appointing Interquip Constuctions Pty Ltd to refurbish the processing and paste plants;
- undertaking repairs, certification and recommissioning of mobile and fixed plant;
- preparation and transfer of mobile equipment and stores from Lanfranchi;
- preparation of tender documents for a 3m wall lift of the tailing storage facility;
- installation of the Savannah North ventilation intake rise collar; and
- negotiations of major contracts including power supply, raisebore drilling and camp services.

The Savannah care and maintenance team assisted with the planning and preparation of the pre-production activities and has been actively involved in many of the work streams.

Other Pre-Production Work Streams

- Financing - the Company continued discussions with the shortlisted financiers and technical due diligence was undertaken.
- Concentrate Offtake - discussions were progressed and the shortlist of potential offtake partners was narrowed. Revised terms have been received and the Company expects to be able to select the preferred off-taker(s) and advance formal negotiations early in the June 2018 quarter.
- Licences - approval was received from the WA Department of Mines, Industry Regulation and Safety (DMIRS) for the installation of the Savannah North ventilation intake rise.

Next steps

The decision to restart Savannah is contingent on:

- finalising the off-take for the Savannah North nickel/copper/cobalt concentrate;
- securing project financing; and
- a sustained recovery in the US\$ nickel price.

Exploration

Up to \$4 million from the Entitlement Offer has been allocated to exploration and business development initiatives. This will enable the Company to resume exploration activities at Savannah (*refer to the Company's ASX announcement of 24 January 2018*).

During the quarter, preparations commenced for the resumption of exploration activities at Savannah. The impetus and focus of the 2018 exploration program is being driven by the results of a series of CSIRO Mineral Resources research projects jointly funded by Panoramic and the Minerals Research Institute of WA (MRIWA). The aim of the research projects, which commenced in 2015, was to improve the Company's understanding of the petrography, mineralogy, geochemistry and geochronology of the *Savannah Style* layered mafic intrusions and the origin and emplacement mechanisms of their parental melts.

The following layered mafic intrusions near Savannah were identified as justifying more detailed exploration (*refer Figure 1*):

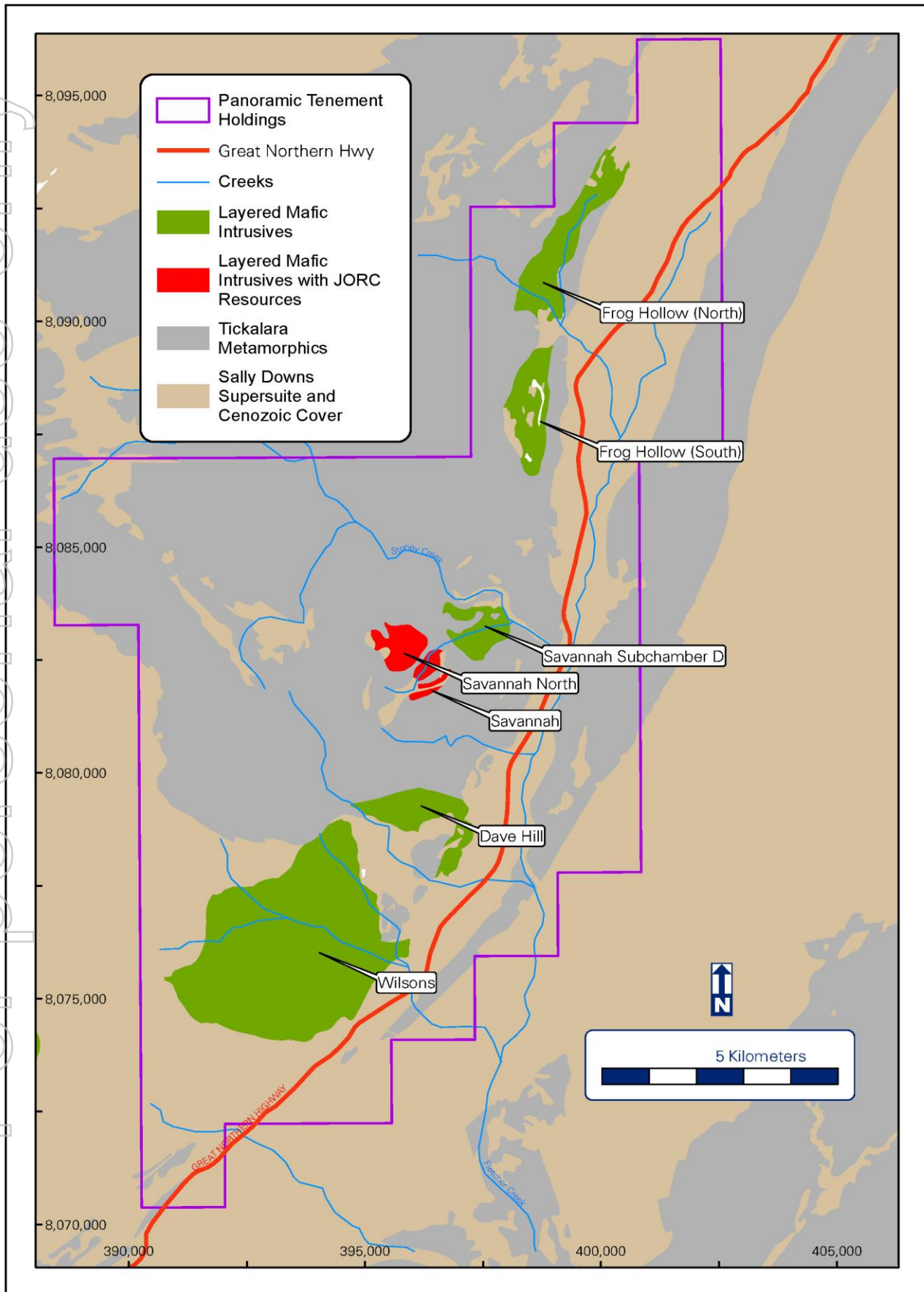
- Subchamber D;
- Dave Hill;
- Wilsons; and
- Frog Hollow.

Little or no modern exploration has been conducted on these intrusions and previous drilling by Panoramic demonstrated that both Dave Hill and Wilsons host disseminated/blebby magmatic nickel-copper sulphide mineralisation (*refer to the Company's announcement of 28 April 2016*).

The research conducted by CSIRO Mineral Resources on Subchamber D, Dave Hill and Wilsons concluded that all three intrusions were 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. **Consequently, the CSIRO considers all three intrusions to be highly prospective for Savannah Style magmatic nickel-copper sulphide mineralisation.**

The Frog Hollow intrusion, which has never been drill tested, was not part of the CSIRO research project but is now included in the Company's 2018 exploration drill program based on its many geological similarities with the other *Savannah Style* intrusions.

Figure 1 – Savannah Area Plan showing location of mafic-ultramafic intrusions scheduled for drill testing in 2018



Nickel – Lanfranchi Project

General

The accommodation village lease has been extended to 30 November 2018, generating income while the Project remains on care and maintenance.

Exploration

There were no exploration programs undertaken at the Lanfranchi Project 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*) and is a priority exploration target at Lanfranchi. 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.

With the improvement in the US\$ nickel price and the positive Savannah Updated FS, the Company's primary focus is restarting Savannah and therefore exploration at Lanfranchi is not a high priority. Due to the focus on Savannah, the options being considered for Lanfranchi include:

- retain ownership and continue to explore to increase the resource base;
- seek a joint venture partner to fund exploration activities; and/or
- divestment of the asset.

Hartleys Limited has been appointed to assist with this process.

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 steam.

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 31 March 2018 was approximately \$8.4 million.

Exploration activities are ongoing at Gum Creek (refer to Horizon's March 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 \$22.9 million. The movement in the cash position included the following transactions:

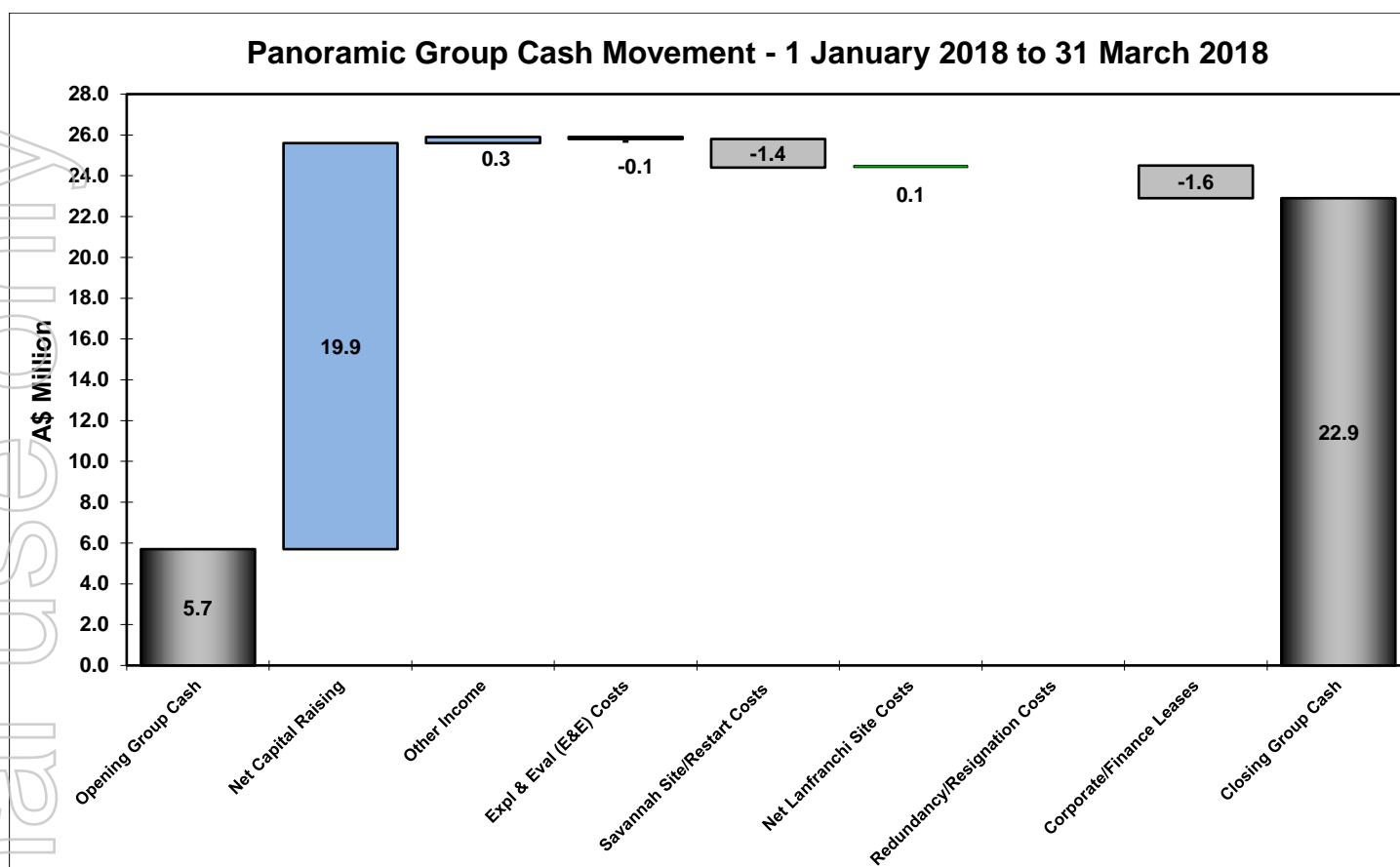
- \$19.9 million net proceeds from the renounceable pro-rata Entitlement Offer
- \$0.2 million rental income from the Lanfranchi village;
- \$0.2 million income from sub-leasing office space at the Perth office; and
- \$1.4 million on C&M and pre-production restart costs at Savannah.

Aggregate movements in the Group Cash balance over the quarter are shown in Figure 2.

At 31 March 2018, \$1.8 million was cash-backed against the drawn amount on the Company's performance bond facility.

Group finance leases for mobile equipment at 31 March 2018 totalled approximately \$0.2 million.

Figure 2 – Panoramic Group Cash Movement (March 2018 Quarter)



Renounceable Pro-Rata Entitlement Offer

On 24 January 2018, the Company announced a fully underwritten, pro-rata renounceable one for seven Entitlement Offer at 34 cents per new share to raise \$20.9 million (before costs) (refer to the Company's ASX announcement of 24 January 2018). The Entitlement Offer closed oversubscribed on 21 February 2018.

The purpose of the Offer was to raise funds to progress the critical-path pre-production activities for the Savannah Project restart, fund new exploration programs near Savannah, various business development initiatives and for general corporate costs and working capital.

Perth Office

The Company is reviewing 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.

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.

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 Pantom 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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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.