

Savannah Project Restarting, Fully Funded

Highlights

- Savannah Nickel-Copper-Cobalt Project to restart
- \$40M loan facility executed with Macquarie
- Mandatory hedging completed
- First shipment of concentrate scheduled for early in March 2019 quarter

Details

Panoramic Resources Limited (“**Panoramic**” or “**Company**”) is extremely pleased to announce that the Savannah Nickel-Copper-Cobalt Project (the “**Savannah Project**”) will reopen following the Company and Savannah Nickel Mines Pty Ltd (a wholly owned subsidiary of Panoramic) executing a credit approved term sheet with Macquarie Bank Limited for Project Finance Facilities (“**Facilities**”). The Facilities to be provided consist of a secured project loan of up to A\$40 million and nickel and copper hedging lines. The combination of the equity raised 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. **The finalisation of the Facilities is a significant milestone for the Savannah Project and was the remaining condition precedent to the Board making the decision to restart the project.**

Savannah Project Restart

The Company is delighted to announce that the Board has made the formal decision to restart operations at the Savannah Project. As a result of this decision, the Company has commenced Phase Two of pre-production activities and is targeting to export the first shipment of Savannah nickel concentrate to China early in the March quarter of 2019.

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).

Project Loan

Savannah Nickel Mines Pty Ltd as Borrower and Panoramic as Guarantor, have agreed the terms of a secured project loan for the development, working capital and associated costs of the Project. 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;
- Final Repayment – 31 December 2021;
- Loan Covenants and project ratios– customary for this size of facility; and
- Loan Security – the Savannah Project.

Hedging Facilities

The nickel and copper hedging facility consist of mandatory and discretionary hedging. The mandatory initial 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.

No New Information or Data

This announcement contains references to production targets, all of which have been cross referenced to a previous market announcement 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 the 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.

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