

## Preliminary September 2019 Quarterly Statistics

### Key Points

- **Safety** – continued improvement in performance, **no LTIs recorded**
- **Development** – 1,054m, **up 21% on previous quarter**
- **Ore Milled** – 120,771t at 1.31% Ni, 0.76% Cu and 0.06% Co, tonnes down 14%, Ni grade up 3% on previous quarter
- **Metallurgical Recoveries** – 85.1% Ni, 93.1% Cu and 88.5% Co, **at target recoveries**
- **Metal Production** – 1,342t Ni, 855t Cu and 64t Co in concentrate, Ni down 12%, Cu up 5% on previous quarter
- **Concentrate Shipped** – 15,734dmt, down 27% on the previous quarter, September ship delayed to October
- **Savannah North Development** – twin declines only 70m from the ore zone, **ore on track to be mined in November**
- **Raise Bore** – advanced 256m, **more than double the previous quarter**
- **New Equity** – fully underwritten 2 for 11 rights issue completed, raising \$28.2M before costs
- **Project Loan** – restructured and reduced by 50% to \$20M, hedging rolled forward to match loan repayments
- **Thunder Bay North** – Thunder Bay North to be sold for C\$9M, first tranche of C\$4.5M expected in 2019
- **Group Cash** – \$20.2M in available and restricted cash
- **Nickel Price** – averaged US\$7.04/lb (A\$10.29/lb) over the quarter, **up 27% on the previous quarter**

### Details

#### Safety

Safety performance at Savannah improved with no lost time injuries (LTIs) recorded in the September 2019 quarter. The Project has now achieved eight consecutive months without an LTI. The leadership focus last quarter was on safety culture and hazard awareness.

#### Production

Ore mined for the quarter was 119,334t at 1.24% Ni, 0.70% Cu and 0.06% Co, down 16% on the previous quarter. Mining from the Savannah remnant ore reserve continues to have its challenges with production impacted by a localised seismic event on 15 July, resulting in a floor heave on the 1515 Level and restricting access into the 1490 Level area, which was a key production area for the quarter. This delayed access to an area containing approximately 150,000t of ore that is now scheduled to be mined in the December 2019 quarter.

Ore milled was 120,771t at 1.31% Ni, 0.76% Cu and 0.06% Co, down 14% on the June quarter, with average recoveries of 85.1% Ni, 93.1% Cu and 88.5% Co which are at or above target. Milled head grades included a positive reconciliation in relation to final assays received on concentrate shipments that departed in the June 2019 quarter. Paste fill poured was 30,541m<sup>3</sup>, a 37% improvement on the previous quarter.

Concentrate shipped was 15,734t, containing 1,141t Ni, 606t Cu and 59t Co, down 27% on the previous quarter. The September monthly shipment of approximately 5,200wmt was delayed and is now departing for China on 12 October 2019.

## Savannah North Development

Significant improvements were recorded in lateral development and raise bore advancement during the quarter.

Total lateral development was 1,054m, a 21% improvement on the June 2019 quarter. The twin declines were within 200m of the first Savannah North ore by the end of September 2019 and, as at 10 October, are only 70m from the orebody. Access development is scheduled to commence in October 2019, with first ore from Savannah North on track to be mined in November this year.

The Savannah North raise bore advanced 205m over the quarter, more than a 100% improvement on the previous quarter. The hole is now up 327m (37% complete), with project completion on track for the June 2020 quarter.

The Savannah North Ore Reserve infill drilling commenced in June, with 9,298 drill metres completed in the quarter. The infill drilling program is concentrating on the areas above and below the Savannah North 1381 Level, the first production level to be developed. **The balance of the drilling is focused on the Savannah North Upper Zone crown area at the upper limit of the known resources. The drilling to date has generally returned better than expected widths and grades** (refer to the Company's ASX announcement of 10 October 2019 for drilling results and JORC (2012 Edition) Disclosure Tables).



Photo: Core tray of massive sulphides from Savannah North Upper Zone Crown area

## New Equity

On 5 September 2019, the Company announced a fully underwritten 2 for 11 pro rata renounceable rights issue at an offer price of \$0.28 per share to raise \$28.2 million before costs. The offer closed on 23 September 2019, with approximately 81% of entitlements being taken up by shareholders and the balance going to sub-underwriters.

## Savannah Project Loan

On 2 September 2019, the \$40 million Savannah Facility Agreement with Macquarie Bank was restructured for a second-time, with \$20 million (50%) of the \$40 million facility being repaid early on 30 September 2019. The repayment was funded from the \$28.2 million rights issue.

The outstanding nickel, copper and A\$:US\$ FX hedges were rolled with delivery to commence in September 2020, thereby matching the amended repayment schedule of September 2020 to March 2022.

The deferment of the nickel and A\$:US\$ FX hedging contracts gives the Company full exposure to the current high spot nickel prices and lower A\$:US\$ FX spot rate. The US\$ nickel price has increased strongly since mid-2019, averaging US\$7.04/lb (A\$10.29/lb) over the quarter (Figure 1), up 27% on the previous quarter.

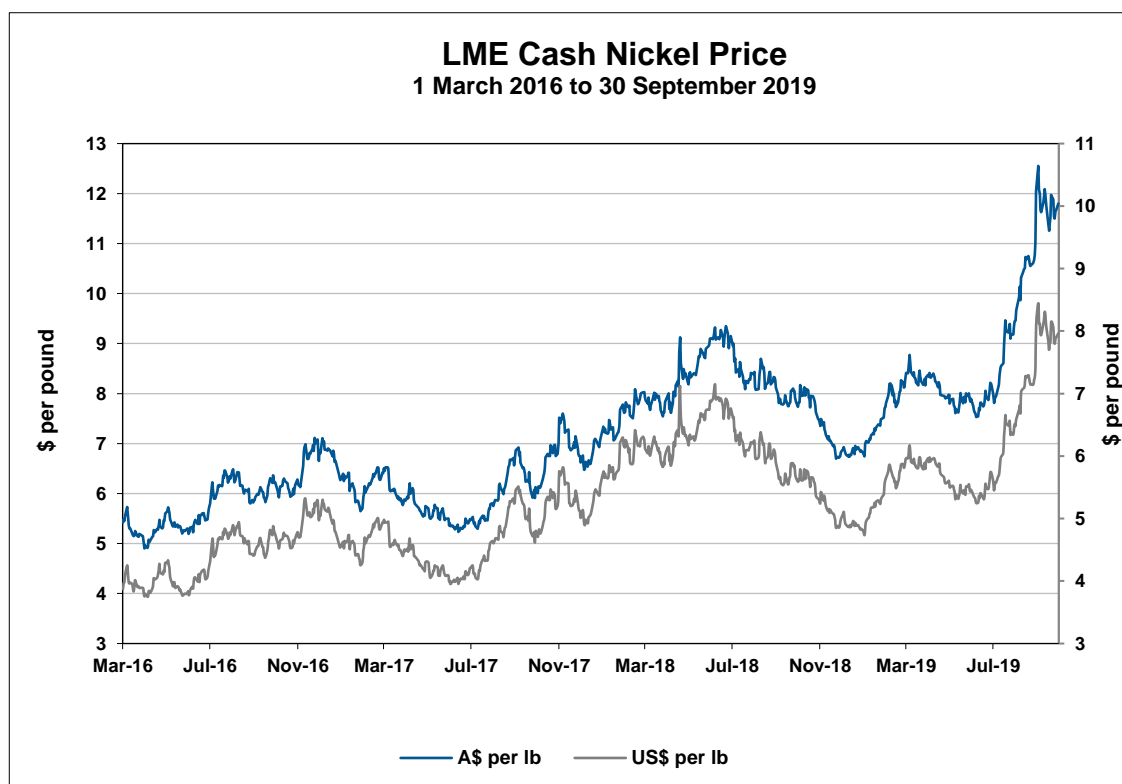


Figure 1: LME Cash Nickel Price

## Thunder Bay North

On 2 July 2019, the Company signed a Letter Agreement accepting an offer from Benton Resources Inc (Benton) to purchase the Thunder Bay North PGM Project for C\$9 million, subject to the signing of a Definitive Agreement and Benton raising sufficient funds to purchase the Project on a deferred payment basis (refer to the Company's ASX announcements of 3 September 2019 and 3 October 2019).

The Company and Benton are currently working towards signing the Definitive Agreement in late October 2019 with settlement and the receipt of the first tranche payment of C\$4.5 million expected before the end of 2019.

## Group Cash

Group Cash (available and restricted) at the end of the quarter was \$20.2 million.

## Quarterly Report

The full September 2019 Quarterly Report will be released in late October 2019.

## 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 Pantom 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 September 2019, Panoramic had \$20.2 million in available and restricted cash. The Company has a \$20 million project financing facility with Macquarie Bank which was restructured in September 2019 (previously a \$40 million facility).

**For further information contact:  
Peter Harold, Managing Director  
+61 8 6266 8600**