

2 July 2019

SALE OF THUNDER BAY NORTH PROJECT FOR \$9 MILLION (CAD)

Key Points

- Benton Resources Inc. to acquire Panoramic PGMs (Canada) Limited
- Benton to pay Panoramic \$9.0 million (CAD) in cash on settlement
- The transaction is subject to various conditions precedent

Details

Panoramic Resources Limited (“Panoramic” or the “Company”) is pleased to advise that the Company has signed a binding Letter Agreement (“Letter Agreement”) with Benton Resources Inc. of Canada (TSX-V:BEX) (“Benton”) to sell all of the shares in the Company’s 100% subsidiary Panoramic PGMs (Canada) Limited (“PAN PGMs”) to Benton for a total consideration of \$9.0 million (CAD). PAN PGMs holds a 100% interest in the Thunder Bay North PGM Project (“TBN”) located in Ontario, Canada.

Terms of the Letter Agreement

General

Benton has agreed to acquire all the Company’s shares in its 100% subsidiary PAN PGMs (the “Transaction”) for \$9.0 million (CAD) in cash (the “Purchase Price”).

Conditions Precedent to Completion of the Sale

Completion of the sale of PAN PGMs to Benton is subject to the following conditions precedent:

- signing a Definitive Agreement;
- receipt of any necessary regulatory approvals and shareholder approvals required by Benton;
- Benton raising sufficient finance to fund the Purchase Price;
- Rio Tinto Exploration Canada Inc. (“RTEC”) and Benton completing the acquisition by Benton of the Escape Lake Project from RTEC; and
- PAN PGMs being released from its future obligations under the Earn-in with Option to Joint Venture Agreement (“EJVA”) with RTEC that was signed in July 2014.

Other Terms

- Definitive Agreement - both Benton and Panoramic will negotiate in good faith a more detailed agreement which contains all the terms of the Letter Agreement (the “Definitive Agreement”). Both parties will use best efforts to complete and sign the Definitive Agreement within 60 days of the date of the Letter Agreement. If the Definitive Agreement is not signed within 60 days of the date of the Letter Agreement, the Letter Agreement will terminate. Panoramic can extend the 60-day period at its discretion.

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

- Deposit - Benton will pay Panoramic a \$250,000 (CAD) deposit provided the Definitive Agreement is signed within 60 days of the date of the Letter Agreement. The deposit will be offset against the Purchase Price.
- Completion of Transaction - will take place 60 days after signing of the Definitive Agreement. The completion date can be extended by up to 30 to 90 days if certain conditions precedents have not been satisfied to enable those conditions precedents to be satisfied.

Earn-In with Option to Joint Venture Agreement with Rio Tinto Exploration Canada Inc.

In July 2014, PAN PGMs entered into the EJVA with RTEC on the Thunder Bay North PGM Project. RTEC has the right to spend \$20 million (CAD) over five years to earn a 70% interest in TBN. Under the EJVA, PAN PGMs has certain rights in certain circumstances to purchase 100% of RTEC's Escape Lake Project which is located within the TBN tenement package. These rights include a Right of First Refusal ("ROFR") to acquire Escape Lake.

At the same time as signing the Letter Agreement, RTEC and PAN PGMs have executed a Waiver of Purchase Option and ROFR ("Waiver") under which each party waives such of its rights under the EJVA as are necessary to enable both transactions with Benton to proceed, including in the case of PAN PGMs, its rights under the ROFR.

Comments from Peter Harold, Panoramic's Managing Director

"We are delighted that Benton has agreed to acquire our Thunder Bay North PGM Project via the acquisition of all the shares in our 100% subsidiary, Panoramic PGMs (Canada) Limited, which holds a 100% interest in the Project. The timing of this sale is opportune as our focus is solely on the ramp-up of the Savannah Nickel Project in Western Australian. Thunder Bay North has not been a priority Project for us and we feel it best to move the Project on to Benton Resources, a Canadian explorer with a proven track recorded of fund raising and successful exploration in Canada. We still retain a significant exposure to PGMs via our 100% ownership of the Panton PGM Project which is only 60km south of Savannah. We look forward to concluding the sale transaction with Benton and wish them every success with Thunder Bay North in the future."

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 \$9 million (CAD). 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

**For further information contact:
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