

ASX ANNOUNCEMENT

7 December 2020

Update – Panton Project Divestment

KEY POINTS

- Great Northern Palladium, a private company in which Dubai 2020 Limited is a shareholder, has agreed to complete the acquisition announced on 12 October 2020 of an 80% interest in Panton for A\$12 million cash
- Great Northern Palladium has a right to purchase the remaining 20% of Panton from Panoramic for an additional A\$3 million cash within a prescribed timeframe
- Completion of the sale of the initial 80% interest is targeted by mid-December 2020
- The additional funds will leave Panoramic in a strong financial position with project financing options to support a future restart underway

Panoramic Resources Limited (ASX: PAN) (“**Panoramic**” or the “**Company**”) is pleased to announce that it has executed definitive transaction documentation in respect of the option to divest the Panton PGM Project in Western Australia (“**Project**”) as announced on 12 October 2020.

Panton Divestment

The Company has entered into a binding agreement (the **Agreement**) to sell an 80% interest in the Company’s wholly owned subsidiary, Panton Sill Pty Ltd (**Panton**), to Great Northern Palladium Pty Ltd (**GNP**). Panton Sill holds the assets relating to the Project. The Agreement is consistent with Panoramic’s stated intention to divest non-core assets and focus on its Savannah Nickel Project.

The key terms of the Agreement are as follows:

- GNP will pay Panoramic A\$12 million cash (inclusive of the A\$200,000 deposit paid by Dubai 2020 Limited) to acquire 80% of the shares in Panton. Completion is expected to occur on or about 18 December 2020.
- Panoramic grants GNP the right to acquire the remaining 20% of the shares in Panton for a further cash payment of A\$3 million, exercisable by GNP:
 - within six months of completion of GNP’s acquisition of the 80% interest in Panton; or
 - within nine months of completion of GNP’s acquisition of the 80% interest in Panton, should a change of control of Panoramic occur within six months of completion of GNP’s acquisition of the 80% interest in Panton.
- If GNP does not exercise its rights to acquire the remaining 20% of the shares in Panton, Panoramic and Panton will participate in an incorporated joint venture in respect of the Project. Under the terms of the incorporated joint venture, Panoramic will be free carried by GNP until a decision to mine.
- Panoramic will pay 2% of each tranche of consideration received from GNP to GNP’s financial advisors, CPS Capital Group.

Savannah North Project Funding

As at 30 September 2020 Panoramic had A\$26.7 million cash available with no debt. The A\$12 million gross sale proceeds from the divestment of 80% of the Panton Project will provide additional working capital to progress the future restart of operations at Savannah.

The company is also progressing discussions with reputable offtake parties to secure a prepayment facility of up to US\$30.0M. The Company has received several indicative term sheets for this facility that are supportive of the Company's aim to secure longer tenor debt (up to 5 years) with competitive terms (conditions and pricing) and no mandatory hedging obligations. The Company is also working with these parties on offtake terms for the period beyond February 2023. The Company will continue to progress these matters over the coming months and if successful, places the business in a good position to restart operations in mid-2021.

No decision has been made to restart operations at Savannah at this time. Current activities underway at site are designed to leave the Company in a position to consider a restart of Savannah by mid-2021.

This ASX release was authorised on behalf of the Panoramic Board by:

Victor Rajasooriar, Managing Director and CEO

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About Panoramic:

Panoramic Resources Limited (**ASX: PAN**) is a Western Australian company which owns the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned and operated the Project from 2004 until 2016 before the mine was placed on care and maintenance. Following the discovery of the Savannah North orebody, the mine was recommissioned in 2018 before operations were temporarily suspended in 2020.

Panoramic has completed an updated Mine Plan for Savannah which has outlined an attractive near-term nickel sulphide mine restart opportunity. Underground pre-production development works at Savannah recommenced in August 2020. Completion of these works is expected to leave the Project in a position to be restarted in mid-2021.