

15 January 2019

## SAVANNAH RECOMMISSIONING UPDATE

### 1<sup>st</sup> concentrate shipment scheduled for early February 2019

#### Highlights

- Mining - ramp up to full production continues
- Processing - process plant achieved plus 2,000tpd throughput in early January
- Wyndham - trucking of concentrate to the port has commenced
- Tailings - 3m wall lift on storage facility completed
- Ventilation - pilot hole for the 900m raise-bore completed
- Recruiting - onboarding of site personnel well advanced in a challenging market
- Project Financing - \$40 million project loan drawn down to \$28.5 million
- **Revenue - first ship scheduled for early February 2019**

#### Details

Panoramic Resources Limited (“Panoramic” or the “Company”) is pleased to provide the following update on the Company’s wholly owned Savannah Nickel/Copper/Cobalt Project in the Kimberley region of Western Australia. Significant progress has been made on the recommissioning with the first concentrate shipment scheduled for early February 2019.

**Commenting on the recommissioning, Panoramic’s Managing Director Peter Harold said** “activities at site have gathered momentum in the past few months as the recruitment of personnel continued and mining and milling operations recommenced after a 2½ year hiatus”.

*The team at Savannah have done an outstanding job to recommission both the underground mine and the processing plant and it was fantastic to see ore on the ROM pad and the mill turning again in late December when I visited site. We still need to fill a number of positions, particularly in mining and maintenance, and that, together with some unscheduled events, slowed the ramp up of mining, however we have identified the issues and have plans in place to resolve these. The mill has ramped up to name plate capacity and we have booked our first concentrate ship, which is due to arrive for loading in early February.”*

#### 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

**OWNER MINER**



**Ni, Co, Cu  
PRODUCER**



**LEVERAGE TO  
EV GROWTH**

**SAVANNAH  
MINE LIFE**



**8.3 YEARS**

**EXPLORATION**



Excellent potential  
for mine life  
extension through  
exploration success

## Mining

Underground operations recommenced during the December 2018 quarter with focus on the following activities:

- Recommissioning of underground air, water and electrical services;
- Rehabilitation of previous ground support;
- Production drilling to build-up ROM ore stocks;
- Commencement of mine production activities on the Savannah orebody; and
- Development of the declines across to the Savannah North orebody. Production from the Savannah North orebody will ultimately replace production from the Savannah orebody in late 2019.

Pre-production and rehabilitation work in October and November were on plan, however the production ramp up in December was slower than forecast due to a combination of factors, including:

- Delays in recruiting various operational and maintenance roles;
- Mobile equipment availability; and
- A severe storm which required personnel to be deployed elsewhere to repair damage and to reinstate services.

The factors impacting ore production during December have either been rectified or plans are in place to resolve them. As at 31 December 2018, there was approximately 17,000t of ore on the ROM pad and another 10,000t of broken stocks underground.

## Process Plant

Following the completion of refurbishment work at the end of November, the recommissioning of the process plant commenced in mid-December with first ore run through the mill on 17 December. Despite a number of mechanical and electrical issues being encountered, by early January, mill throughput was exceeding 2,000 tonnes ore per day.



*Photo 1 - Refurbished ROM ore bin*



*Photo 2 - SAG Mill*



*Photo 3 - New SAG mill feed chute*



*Photo 4 - Flotation cells in operation*



*Photo 5 - Refurbished concentrate filter press*

## Ventilation Rise

RUC Cementation has completed the pilot hole for the 900m raise-bore. The raise-borer reaming head is on site and reaming is scheduled to commence this month. The ventilation rise is due for completion in the September 2019 quarter.

## Tailings Storage Facility Rise

Earthworks for the 3m wall lift on the tailings storage facility was completed in November.



*Photo 6 – New 3m wall lift on the tailings storage facility*

## Personnel

The recruiting and onboarding of personnel has progressed with approximately 190 people now employed. There are approximately 60 positions remaining to be filled and many of these are covered by labour hire personnel until the permanent positions are filled.



*Photo 7 – Panoramic bus collecting staff from Kununurra airport*

## Project Financing

The Facility Agreement for the project loan of up to \$40 million was executed with Macquarie Bank Limited in September 2018. As at 14 January 2019, \$28.5 million has been drawn down against the facility.

## Revenue

The Company has booked a concentrate shipment and the vessel is currently scheduled to be in Wyndham in early February to load between 5,000-8,000wmt of Savannah concentrate. The trucking of concentrate from Savannah to Wyndham using Company owned and operated prime movers and trailers has commenced.



*Photo 8 - Savannah concentrate being unloaded at the port shed in Wyndham*

## 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 on schedule to be delivered early in the March 2019 quarter. The Lanfranchi Project was sold in December 2018 for a total cash consideration of \$15.1 million, providing additional financial support for the reopening 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, 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 December 2018, Panoramic had ~\$19 million in available and restricted cash. The Company also has \$16.5 million available to be 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

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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.