

3 September 2019

SALE OF THUNDER BAY NORTH PROJECT – AMENDING LETTER AGREEMENT

Key Points

- Panoramic previously advised that Benton Resources Inc. to acquire Panoramic PGMs (Canada) Limited for C\$9M Purchase Price
- Panoramic has now agreed with Benton to amend the payment terms, namely:
 - Benton to pay C\$4.5M in cash on completion of the transaction; and
 - Benton to pay C\$4.5M over 3 deferred payments of C\$1.5M each
- The transaction is still subject to various conditions precedent

Details

Panoramic Resources Limited (“Panoramic” or the “Company”) wishes to advise that it has agreed with Benton Resources Inc. of Canada (TSX-V:BEX) (“Benton”) to amend the binding Letter Agreement (“Original Letter Agreement”) signed on 2 July 2019.

On 2 September 2019, an Amending Letter Agreement (“Amending Agreement”) was signed by the Company and Benton in order to vary the payment terms of the C\$9 million Purchase Price and to extend the date by which the Definitive Agreement needs to be signed.

Terms of the Amending Agreement

General

Benton has agreed to acquire all the Company's shares in its 100% subsidiary PAN PGMs Canada Limited (“Panoramic PGMs”) (the “Transaction”), the 100% owner of the Thunder Bay North (TBN) PGM Project for C\$9.0 million in cash (the “Purchase Price”).

Amended Payment Terms

Benton will now pay the C\$9 million Purchase Price over four installments, as set out below:

- C\$4.5 million on the completion of the Transaction;
- C\$1.5 million on the first anniversary of the completion of the Transaction;
- C\$1.5 million on the second anniversary of the completion of the Transaction; and
- C\$1.5 million on the third anniversary of the Transaction.

Security

The three deferred payments are to be secured by the Company holding a first registered security over the TBN PGM Project Property and the shares in Panoramic PGMs.

Directors

BRIAN PHILLIPS

Non-Executive Chairman

PETER HAROLD

Managing Director

PETER SULLIVAN

Non-Executive Director

NICHOLAS CERNOTTA

Non-Executive Director

REBECCA HAYWARD

Non-Executive Director

TREVOR ETON

CFO / Company Secretary

Conditions Precedent to Completion of the Sale

Completion of the sale of PAN PGMs to Benton is still 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 initial C\$4.5 million of 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 – the Amending Agreement effectively provides that both parties will use best efforts to complete and sign the Definitive Agreement within 30 days of the date of the Amending Agreement. If the Definitive Agreement is not signed within 30 days of the date of the Amending Agreement, the Original Letter Agreement, as amended, will terminate. Panoramic can extend the 30-day period at its discretion; and
- All other terms of the Original Letter Agreement, as amended, are unchanged.

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 June 2019, Panoramic had \$26.6 million in available and restricted cash. The Company has fully drawn down against the \$40 million project financing facility with Macquarie Bank.

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