

2018 AGM Chairman's Address

Good morning fellow shareholders, and welcome to this, the seventeenth Annual General Meeting of Panoramic Resources Limited.

The 2016/17 financial year was a real challenge for our staff, working to complete the Savannah Feasibility Study while nickel stocks were at record high levels and the metal traded at prices that would not support re-opening the Savannah mine.

The beginning of the 2017/18 year was very different. With nickel stock levels falling, and the nickel price beginning to improve, we delivered the Updated Feasibility Study which showed a more robust project. Prices continued to improve and in February we completed a \$21 million rights issue to support starting work on several long lead projects at Savannah to facilitate re-opening the mine when finance and concentrate off-take commitments could be secured. A small contract team commenced work refurbishing long lead items in the treatment plant; the primary crusher, feeders and bins, tanks and flotation cells, concentrate filter, walkways, pumps and associated equipment. Work started on upgrading the accommodation units and facilities in our 200-person camp, and a contract was let to add a 3-metre lift to the tailings storage facility. Drilling of a pilot hole for the main intake airway shaft, fundamental for the future of the Savannah North ore-body development, was commenced in July.

By June, an offtake agreement was secured with Sino Nickel (a joint venture between Jinchuan and Sino Mining International), for delivery of our nickel/ copper/ cobalt concentrate to China over a 4-year period at significantly improved terms compared with the previous offtake agreement.

A \$40 million loan facility was provided by Macquarie Bank which, combined with the concentrate offtake agreement, allowed the Board to decide to restart Savannah and develop the new Savannah North orebody. In September, the various conditions precedent that allowed activation of the loan were satisfied, with the first \$10 million tranche of the loan being drawn in October.

The team hit the ground running in late July and first ore from Savannah is on track to be processed through the refurbished mill in early December. The first concentrate shipment is planned to Jinchuan early in the March quarter.

Development to access the Savannah North ore-body has commenced and the raise bore pilot hole for the new fresh air intake shaft is well advanced. We are also well down the track on employment of the target 240 staff, who will manage and operate Savannah on a fly-in fly-out basis.

With commissioning and production established, our focus will be on innovation, productivity and optimisation. These will be the primary drivers to enhance safety and profitability. We have incorporated some enhancement of our systems in the restart including process control, communications and data collection. We are studying a number of opportunities that could be game-changing for Savannah's future.

In parallel with the Savannah work, the sale of the Lanfranchi mine was negotiated for a total price of \$15.1 million. Funds from the sale will provide additional financial security during the early stages of the Savannah re-opening.

Since July, despite the steady reduction of official LME nickel stocks to below 220,000 tonnes (about 6 weeks world consumption), the nickel price has retreated from a high of US\$6.50/lb to around US\$5.10/lb. Most industry forecasts predict prices to rise in the near term. Shrinking stocks, increasing demand for stainless steel and batteries, and rationalisation of the current confusing international trade posturing should underpin higher prices.

The studies and negotiations over the last three years that have culminated in the reopening of Savannah have been undertaken by the small Perth office team led by Peter Harold. I am proud to be part of the Board that has encouraged and supported them, and we thank them, our shareholders and the many service providers who have supported us. There is a lot of work yet to have Savannah optimised, and it is pleasing that a high calibre team has been assembled for the project.

Before closing, I advise that our colleague John Rowe will step down from the Board during the first half of 2019. John is a geologist with nearly five decades of experience in nickel, gold and copper exploration, development, operations, and management. John has been an adviser and board member with Panoramic (originally Sally Malay) since December 2006. He has provided advice, counsel and direction to our geology people as well as the Company in general, with significant input to our exploration success at Lanfranchi and Savannah. His counsel and input will be missed.

We have two new board members who have joined the Company this year and I welcome them to Panoramic and look forward to working with them as we embark on the rejuvenation of our developing polymetallic asset in the Kimberley.

I look forward to returning to a profitable nickel, copper and cobalt miner.

Brian Phillips
Chairman

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 for up to A\$40 million in July 2018, the Company has made the decision to restart operations at Savannah with first concentrate on schedule to be delivered early in the March 2019 quarter.

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 30 September 2018, Panoramic had \$10.8 million in available and restricted cash, and no bank debt.

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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