

## FY2015 Full-Year Results

### Key Points

- Production – 19,301t Ni in concentrate/ore produced, down 13% on FY2014
- Net revenue - \$199.7 million, down 16% on FY2014 reflecting lower nickel sales and the weaker nickel price
- Net cashflow from operating activities - \$43.5 million before tax, down 19% on FY2014
- Underlying Nickel Division EBITDA - \$32.7 million, down 55% on FY2014
- FY2015 net loss reported of \$28.8 million
- Dividend - interim 1 cent per share fully franked paid in April 2015, no final dividend declared
- Liquid assets - \$65.3 million, down 32% on FY2014

Commenting on the results, Panoramic's Managing Director, Peter Harold said: "FY2015 was a tough year that was certainly not anticipated. The rapid drop in the nickel price since November 2014, despite general consensus that the price would trade higher as Indonesian stockpiles of laterite ore in China were drawdown, impacted heavily on sales revenue. In addition, seismic activity at Lanfranchi in April affected production in the June 2015 quarter and further reduced revenue, which had a significant impact on the full year results. On the positive side, Savannah achieved record nickel production and released the maiden Resource for Savannah North. Both are outstanding achievements and a great credit to the operations and geological teams. The ramp up in exploration activities in FY2015 led to a significant increase in reported resources at Savannah, increased the potential strike extent of the Savannah North system to approximately 2 kms and the discovery of the high-grade Lower Schmitz mineralisation at Lanfranchi. Our growing nickel resource base puts the Company in a good position to leverage off improved commodity prices".

### Key Metrics

Description (Units in A\$ million unless otherwise stated)	Dec Half	June Half	FY2015	FY2014
<b>Financials</b>				
Total net revenue	\$105.9	\$93.8	\$199.7	\$238.2
Cost of sales before depreciation and amortisation(D&A)	(\$84.2)	(\$82.8)	(\$167.0)	(\$164.9)
Underlying Nickel Division EBITDA	\$21.7	\$11.0	\$32.7	\$73.3
Depreciation and amortisation (D&A)	(\$30.4)	(\$31.4)	(\$62.1)	(\$59.7)
Profit/(Loss) before tax and impairment	(\$20.5)	(\$32.0)	(\$52.5)	\$2.0
Underlying net loss after tax	(\$14.9)	(\$22.2)	(\$37.1)	(\$0.1)
Impairment/write-backs after tax <sup>1</sup>	\$10.1 <sup>1</sup>	(\$1.8) <sup>2</sup>	\$8.3	(\$9.2)
Reported net profit/(loss) after tax	(\$4.8)	(\$24.0)	(\$28.8)	(\$9.3)
Cash flow from operating activities before tax	\$27.1	\$16.4	\$43.5	\$54.0
Cash, term deposits and current receivables	\$79.8	\$65.3	\$65.3	\$96.7
US\$ average spot nickel price	\$7.80/lb	\$6.20/lb	\$7.02/lb	\$6.89/lb
A\$ average spot nickel price	\$8.74/lb	\$7.92/lb	\$8.34/lb	\$7.52/lb
Payable Nickel Cash Cost, including royalties	\$5.89/lb	\$6.16/lb	\$6.02/lb	\$5.41/lb
C1 Cash Cost (Ni in concentrate) <sup>3</sup>	\$3.66/lb	\$3.82/lb	\$3.74/lb	\$3.32/lb
Dividend (cents/share)	1.0	-	1.0	2.0
<b>Nickel produced/sold</b>				
Group nickel production (dmt)	10,003	9,298	19,301	22,256
Group nickel sales (dmt)	10,050	11,497	19,547	22,387

<sup>1</sup> non-cash impairment write-backs at (1); the Copernicus Project for \$13.2 million before tax (\$9.2 million after tax), and (2); the Lanfranchi Project for \$1.2 million before tax (\$0.8 million after tax)

<sup>2</sup> non-cash impairment charge of \$2.5 million before tax (\$1.8 million after tax) at the Mt Gold Henry Project

<sup>3</sup> excluding smelter deductions and royalties

## Commentary

### Revenue and Cost of Production

Compared to FY2014, Savannah had an excellent production year and shipped 4% more nickel contained in concentrate, whilst Lanfranchi production was impacted by seismicity in the June 2015 quarter and delivered 29% less nickel contained in ore. Net sales revenue fell 16%, with June 2015 quarter sales impacted the most through the combination of lower Lanfranchi production and the weaker nickel price. The nickel price fall from US\$9/lb in August 2014 to around US\$6/lb at the end of June 2015 quarter (*Figure 1*) resulted in significant negative final invoice pricing (QP) adjustments throughout the year, especially on June-Half sales. Nickel price falls in July 2015 also had an impact on revenue, with negative QP adjustments lowering the value of trade receivables by ~\$3 million. Net losses of \$6.1 million on commodity and foreign exchange derivatives were also booked during the financial year. The Nickel Division reported a positive underlying EBITDA of \$32.7 million for FY2015, notwithstanding the lower sales revenue.

Group payable and C1 cash costs were ~12% higher than FY2014, due to the combination of less ore tonnes mined at an overall lower nickel grade and the higher ratio of fixed to variable costs. In addition, a ~\$5 million year-on-year fall in net inventory (concentrate stocks) was reflected in site costs. Overall, aggregate production costs (before royalties and depreciation and amortisation) were flat, up only ~1% year-on-year.

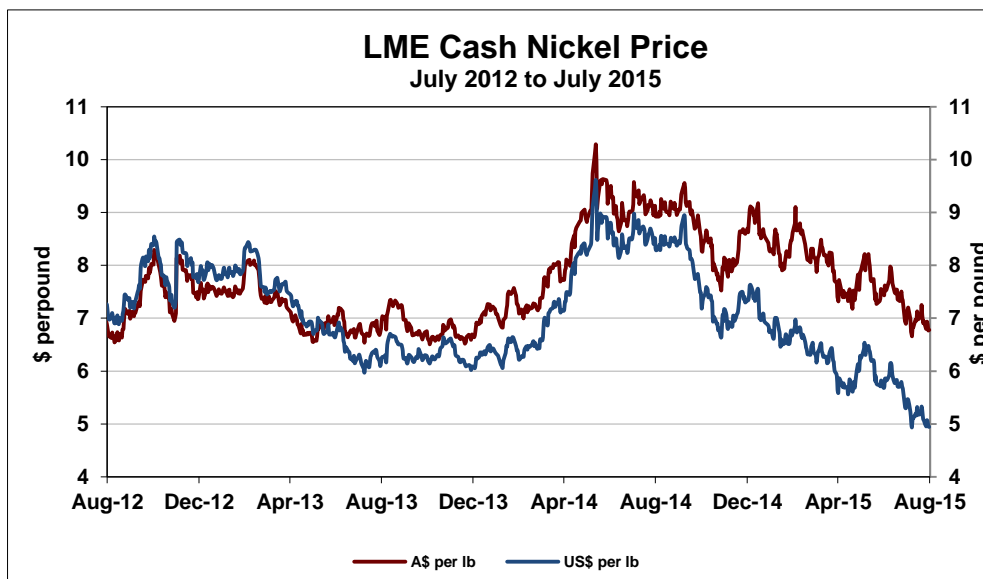


Figure 1

Source – LME US\$ nickel daily cash price converted to A\$ using the daily RBA US\$/A\$ Settlement Rate

### Cash Flow

Net cashflow from operating activities was down 19% to \$43.5 million (before tax and after working capital movements, corporate costs and greenfield exploration). Greenfield exploration increased \$9.7 million to \$12.9 million as drilling programs were ramped up at Savannah North and Lower Schmitz. Cash outflow on “investing activities” included (1) mine development of \$19.8 million (including \$4 million of development expenditure at Jury-Metcalf); (2) exploration and evaluation costs capitalised of \$15.1 million (nickel resource drilling, drill drive development and on the gold and PGM projects) and (3), expenditure on plant and equipment of \$7.2 million. **At 30 June 2015, the Company’s liquid assets of \$65.3 million comprised \$54.1 million of cash at bank, \$8.1 million in trade receivables and \$3.1 million of other receivables.**

### Other Items

The following non-cash items impacted on the FY2015 reported result:

Impairment write-backs – at 31 December, the following non-cash impairment write-backs were booked:

- Copernicus - \$13.2 million before tax (\$9.2 million after tax); and
- Lanfranchi - \$1.2 million before tax (\$0.8 million after tax).

At 30 June, a non-cash impairment charge of \$2.5 million before tax (\$1.8 million after tax) was made on the Company’s 70% interest in the Mt Gold Henry Project. As subsequently announced on 31 July 2015, the 70% interest in Mt Henry was sold to Metals X Limited (“Metals X”) for 15.4 million ordinary shares in Metals X, with settlement to take place once conditions precedent, including FIRB approval, are satisfied.

Depreciation and amortisation (D&A) – D&A expenses of \$61.3 million included D&A at Copernicus from December 2014.

## Production

On a Group basis, 19,301 tonnes of nickel contained in concentrate/ore was produced for the full year (Figure 2):

### Savannah Nickel Project (including the Copernicus Nickel Project) – a record production year

Physicals		FY2015	FY2014
<i>(i) Produced</i>			
Ore Treated	(t)	854,794	759,150
Nickel Grade	(%)	1.18	1.29
Recovery	(%)	86.4	86.6
Nickel in Concentrate	(t)	8,726	8,481
<i>(ii) Sold</i>			
Nickel in Concentrate	(t)	8,936	8,593

In addition, Savannah produced 5,314 (2014: 5,439) tonnes of copper and 443 (2014: 426) tonnes of cobalt. Contained nickel in concentrate was 3% higher than the previous year, resulting in a new annual production record at Savannah.

### Lanfranchi Nickel Project

Physicals		FY2015	FY2014
<i>(i) Produced</i>			
Ore Mined	(t)	468,491	518,273
Nickel Grade	(%)	2.26	2.66
Nickel in Ore	(t)	10,575	13,775
<i>(ii) Sold</i>			
Nickel in Ore	(t)	10,611	13,794

In addition, Lanfranchi produced 846 (2014:1,168) tonnes of copper.

## Production History

Figure 2 shows the nickel production history since the Company commenced operations at Savannah in August 2004 and then at Lanfranchi in September 2005.

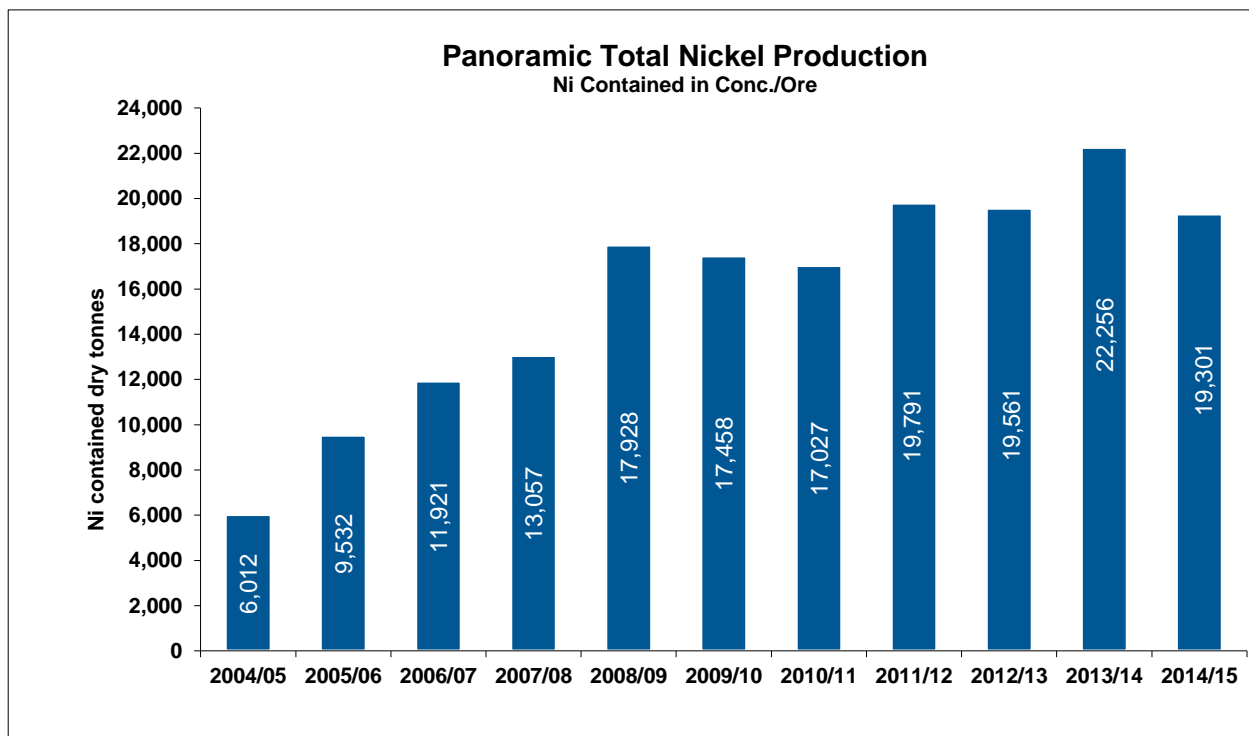


Figure 2

## Summary of 2015-Financial Year Results

Description (Units in A\$ million unless otherwise stated)	FY 2015	FY 2014	FY 2013
<b>Financials</b>			
Total net revenue <sup>1</sup>	\$199.7	\$238.2	\$181.8
Cost of sales before depreciation and amortisation	(\$167.0)	(\$164.9)	(\$154.3)
<i>Underlying Nickel Division EBITDA</i>	\$32.7	\$73.3	\$27.5
Depreciation and amortisation	(\$62.1)	(\$59.7)	(\$54.4)
Other net costs including other income and corporate costs	(\$10.2)	(\$8.4)	(\$9.4)
Exploration and evaluation costs (greenfield)	(\$12.9)	(\$3.2)	(\$2.7)
<i>Profit/(loss) before tax and impairment</i>	(\$52.5)	\$2.0	(\$39.0)
Impairment and write-backs before tax	\$11.9	(\$13.1)	(\$8.0)
<i>Loss before tax</i>	(\$40.6)	(\$11.1)	(\$47.0)
Tax benefit	\$11.8	\$1.8	\$15.3
<i>Reported net loss after tax</i>	(\$28.8)	(\$9.3)	(\$31.7)
EPS (cents/share)	(9.0c)	(3.1c)	(12.5c)
Net Assets	\$239.9	\$276.1	\$271.6
<b>Cash Flow</b>			
Cashflow from operating activities before tax	\$43.5	\$54.0	\$23.0
Payments for property, plant, and equipment	(\$7.2)	(\$4.1)	(\$9.0)
Capitalised mine development costs	(\$19.8)	(\$13.5)	(\$19.3)
Exploration and evaluation costs (capital component)	(\$15.1)	(\$8.1)	(\$20.1)
Cash, term deposits and current receivables	\$65.3 <sup>2</sup>	\$96.7 <sup>2</sup>	\$44.9
<b>Physicals</b>			
Group nickel production (dmt)	19,301	22,256	19,561
Group nickel sales (dmt)	19,547	22,387	18,959

<sup>1</sup> net of by-product credits, interest income, smelter/ concentrate treatment charges and profit/(losses) on commodity/foreign exchange derivatives

<sup>2</sup> comprising cash and term deposits (\$54.1M), trade receivables (\$8.1M) and other current receivables (\$3.1M). At 30 June 2014: cash and term deposits (\$64.1M), trade receivables (\$28.7M) and other current receivables (\$3.9M)

## Final Dividend

In April 2015, a fully franked interim dividend of 1 cent per share was paid to shareholders. **Fully franked dividends paid now total \$114.3 million over the last nine financial years.** The Panoramic Board has decided not to pay a final dividend.

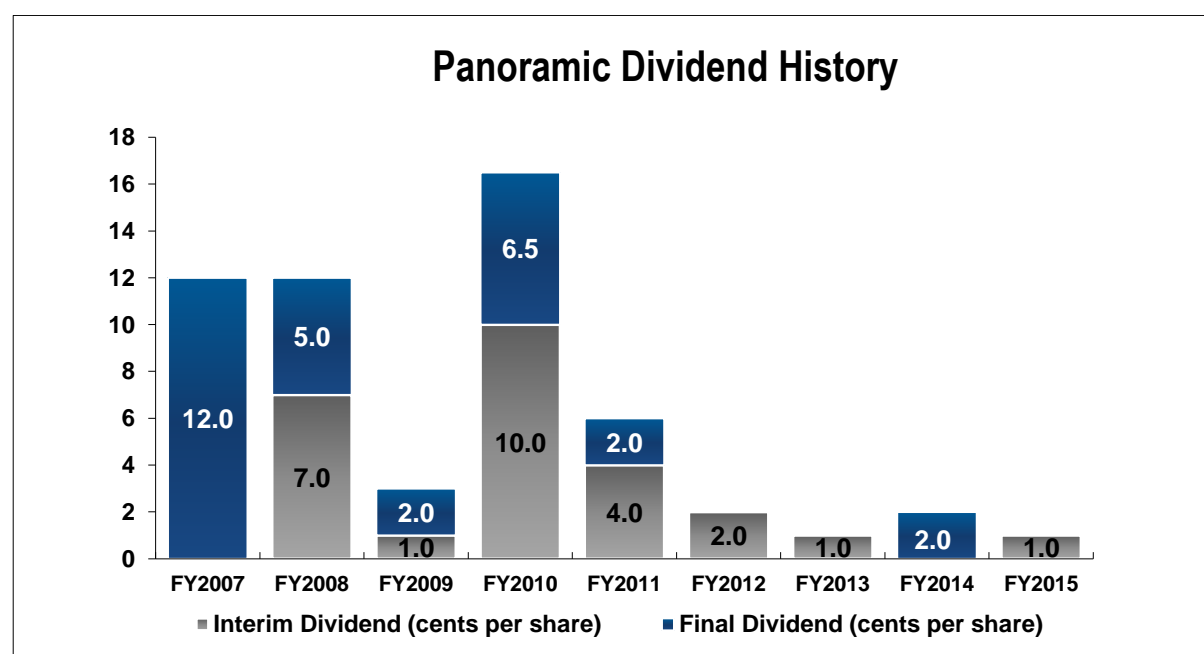


Figure 3

## Outlook for FY2016

### Production

Production guidance for FY2016 for the Savannah operation (including Copernicus) is **10,000-10,500 tonnes** of nickel in concentrate, an aggressive target to counter the lower nickel price environment. The primary focus at Lanfranchi is the completion of the 9000 Drill Drive to provide a suitable drilling position for Resource definition drilling of the Lower Schmitz mineralisation. The 9000 Drill Drive is due to be completed by the end of September 2015. Given the uncertainty around the timing of any production from Lower Schmitz, no production guidance is being given for Lanfranchi for FY2016. Since mining of the Deacon orebody was suspended in July 2015, there has been limited production from Lanfranchi (stockpiled ore from Deacon and airleg ore from Lanfranchi) which will be reported in the September 2015 Quarterly Report.

### Costs and Productivity

The focus remains on safety, cost control/reduction and productivity improvements.

### Mine Capital Expenditure

In response to the current low nickel price environment, mine capital expenditure will be limited in FY2016. The Company has budgeted \$5 million on capital mine development (including \$3 million on the Lanfranchi 9000 Drill Drive), \$4 million on other sustaining capital (including plant and equipment) and \$2 million on equipment finance leases.

### Exploration

The primary aim of the exploration programs is to continue to add mine life at both nickel operations. Approximately \$4 million is planned to be spent on Group exploration activities in FY2016 (inclusive of rents and rates), with the majority of funding allocated to the Resource definition drilling.

### PGM and Gold Projects

**PGM** – the Panton and Thunder Bay North (TBN) projects are important elements of the Company's diversification and growth strategy. The decision, by Rio Tinto Exploration Canada Inc. (RTEC) in January 2015, to commit to spend up to C\$20 million over the next five years at the TBN Project to earn a 70% interest, has allowed Panoramic to be free carried. At Panton, further metallurgical testwork will be undertaken to confirm initial results of improved concentrate grades and recoveries. Evaluation expenditure on the Panton PGM Project is forecast to be \$0.2 million in FY2016.

**Gold** – in July 2015, a decision was made to sell the Gidgee Gold Project via a tender process. The Company has appointed Sirona Capital to manage the sale process and is seeking Expressions of Interest by 31 August 2015. An Information Memorandum and data room will support this process. Completion of this sale process is a priority over the coming months.

### 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.

Following the successful development of the nickel projects, the Company diversified its resource base to include gold and platinum group metals (PGM). The Gold Division consists of the Gidgee Project located near Wiluna. 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% in the project by spending up to C\$20 million over five years.

Panoramic has been a consistent dividend payer and has paid out a total of \$114.3 million in fully franked dividends since 2008. At 30 June 2015, Panoramic had \$54 million in 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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# Full Year 2015 Results



28 August 2015

ASX: PAN  
[www.panoramicresources.com](http://www.panoramicresources.com)

# Important Notice - Disclaimer

This presentation 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. Such forward-looking statements may include, without limitation:

- estimates of future earnings, the sensitivity of earnings to metal prices and foreign exchange rate movements;
- estimates of future metal production and sales;
- estimates of future cash flows, the sensitivity of cash flows to metals prices and foreign exchange rate movements;
- statements regarding future debt repayments;
- estimates of future capital expenditures;
- estimates of reserves and statements regarding future exploration results and the replacement of reserves; and
- statements regarding modifications to the Company’s hedge position.

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 presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



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# Key points

- **Group FY15 production** - 19,301t Ni
- **Sales revenue** - \$199.7 million
- **Underlying EBITDA** - \$32.7 million
- **Net cashflow from operating** - \$43.5 million
- **Year-end cash & receivables** - \$65.3 million
- **Interim dividend** - 1 cent per share
- **Savannah** - record production of 8,726t Ni
- **Exploration Successes**
  - **Savannah** - major upgrade in Resources
  - **Savannah North** - interim maiden Resource
  - **Lower Schmitz** - High-grade discovery
- **Safety** - significantly improved LTIFR of 3.2 at 30 June 2015



# FY15 results

## Net Revenue

**\$199.7 million** ↓ 16%

*reflecting lower nickel sales and weaker A\$ nickel price*

## Underlying EBITDA

**\$32.7 million** ↓ 56%

*FY14 \$73.3 million*

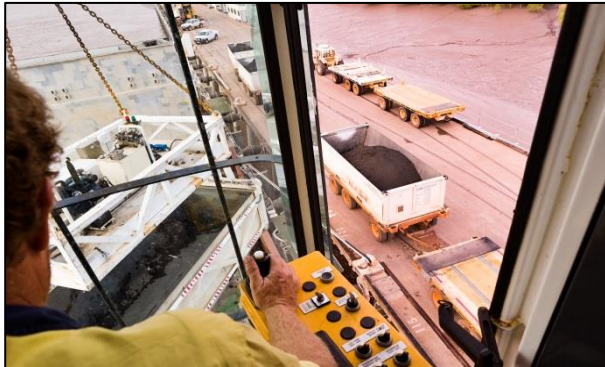
## Net Cash Flow *(before tax)*

**\$43.5 million** ↓ 19%

*FY14 \$54 million*

## NPAT

**\$28.8 million loss**



## Group Production

**19,301t Ni in concentrate/ore**  
↓ 19%

## Liquid Assets

**\$65.3 million** ↓ 32%

*FY14 \$96.7 million*

## Avg Group Ni Payable Cash Cost

**A\$6.02/lb**

## Avg Group C1 Cash Cost

**A\$3.74/lb**

# Key financial results – last four years

Description (Units in A\$ million unless otherwise stated)	FY2012	FY2013	FY2014	FY2015
<b>Financials</b>				
A\$ average cash nickel price	\$8.48/lb	\$7.23/lb	\$7.52/lb	<b>\$8.34/lb</b>
Total net revenue	\$233.0	\$181.8	\$238.2	<b>\$199.7</b>
Cost of sales before depreciation and amortisation	(\$170.7)	(\$154.3)	(\$164.9)	<b>(\$167.0)</b>
<i>Underlying Nickel Division EBITDA</i>	\$62.3	\$27.5	\$73.3	<b>\$32.7</b>
Depreciation and amortisation	(\$51.4)	(\$54.4)	(\$59.7)	<b>(\$62.1)</b>
Other net costs including income and corporate costs	(\$18.3)	(\$9.4)	(\$8.4)	<b>(\$10.2)</b>
Exploration and evaluation costs (greenfield)	(\$6.7)	(\$2.7)	(\$3.2)	<b>(\$12.9)</b>
<i>Profit/(loss) before tax and impairment</i>	(\$14.1)	(\$39.0)	\$2.0	<b>(\$52.5)</b>
Impairment and write-back before tax	(\$7.2)	(\$8.0)	(\$13.1)	<b>\$11.9</b>
<i>Loss before tax</i>	(\$21.3)	(\$47.0)	(\$11.1)	<b>(\$40.6)</b>
Tax benefit/(expense)	(\$3.1)	\$15.3	\$1.8	<b>\$11.8</b>
Reported net loss after tax	(\$18.2)	(\$31.7)	(\$9.3)	<b>(\$28.8)</b>
EPS (cents/share)	(8.6c)	(12.5c)	(3.1c)	<b>(9.0c)</b>
Net Assets	\$307.5	\$271.6	\$276.1	<b>\$239.9</b>
<b>Cash Flow</b>				
Cashflow from operating activities before tax	\$38.2	\$23.0	\$54.0	<b>\$43.5</b>
Payments for property, plant, and equipment	(\$33.6)	(\$9.0)	(\$4.1)	<b>(\$7.2)</b>
Capitalised mine development costs	(\$20.9)	(\$19.3)	(\$13.5)	<b>(\$19.8)</b>
Exploration and evaluation expenditure (capital component)	(\$19.2)	(\$20.1)	(\$8.1)	<b>(\$15.1)</b>
Cash, term deposits and current receivables	\$79.0	\$44.9	\$96.7	<b>\$65.3</b>
<b>Physicals</b>				
Group nickel production (dmt)	19,791	19,561	22,256	<b>19,301</b>
Group nickel sales (dmt)	19,820	18,959	22,387	<b>19,547</b>

Aggregate site costs flat

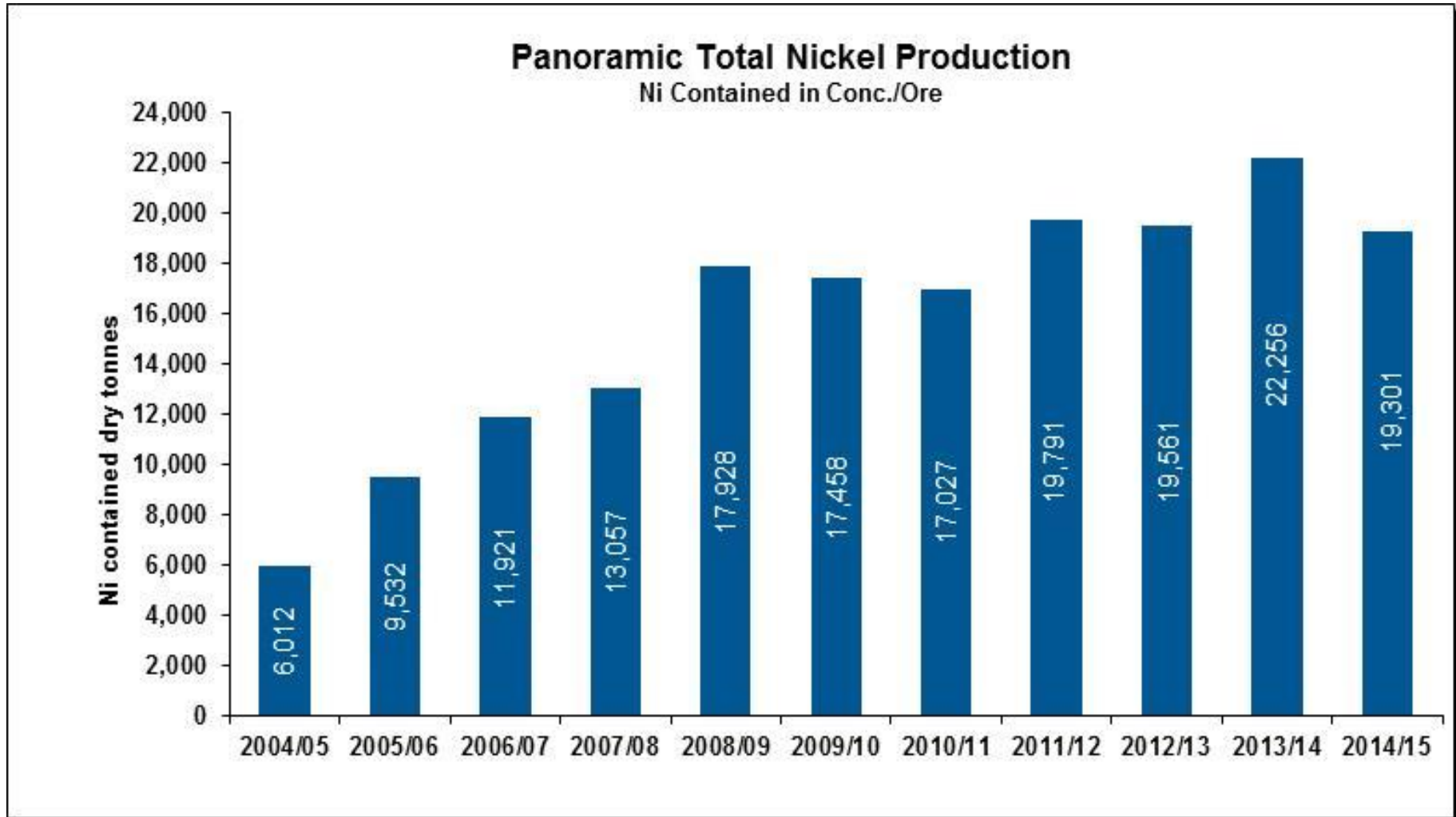
Higher due to ramped up drilling programs at Savannah North and Lower Schmitz

Solid cashflow from operating activities

Including record production from Savannah of 8,726t Ni

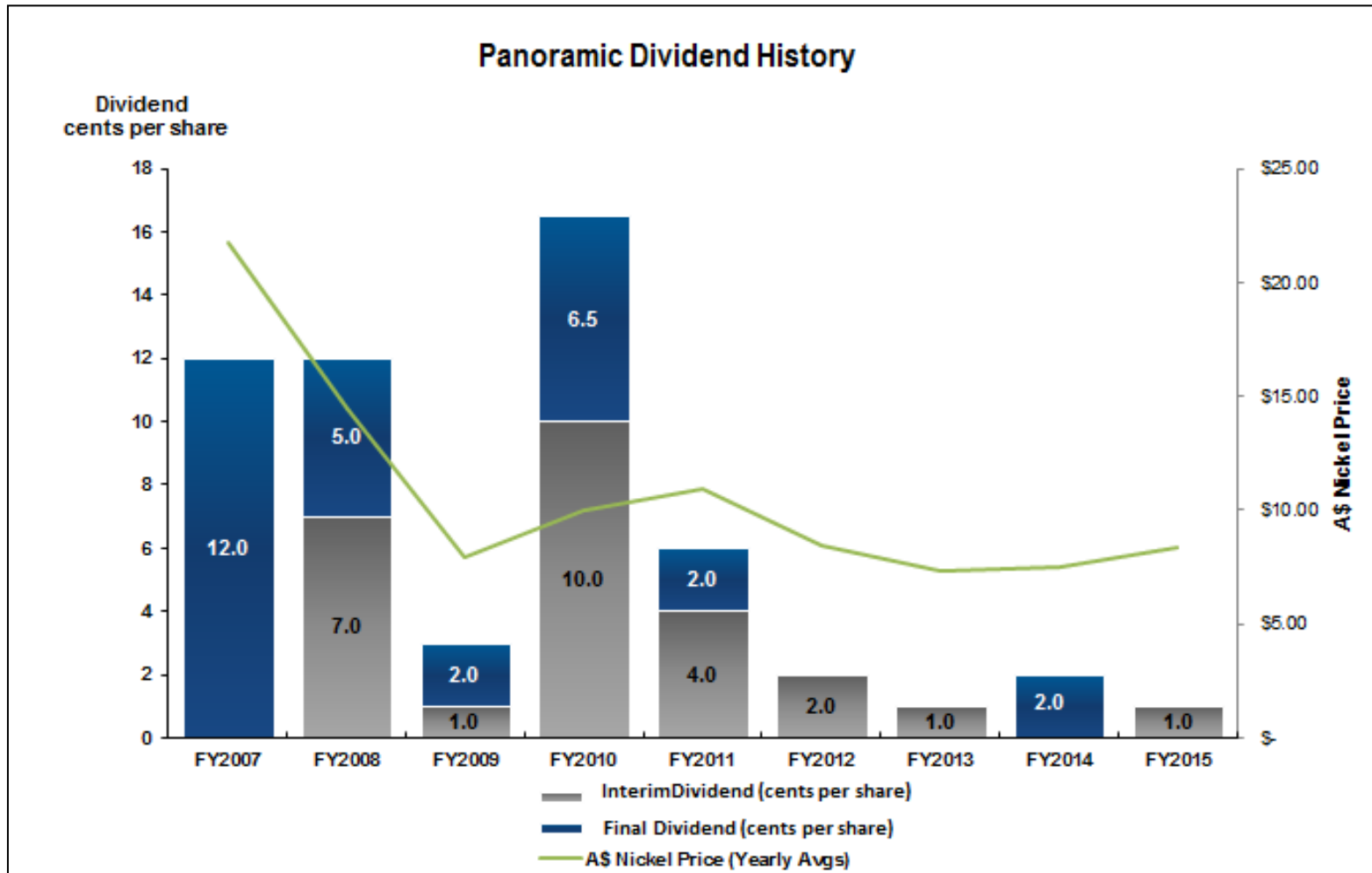
# Group nickel production

- FY2015 Production 19,301t Ni
- Produced over 170,000t Ni since 2004



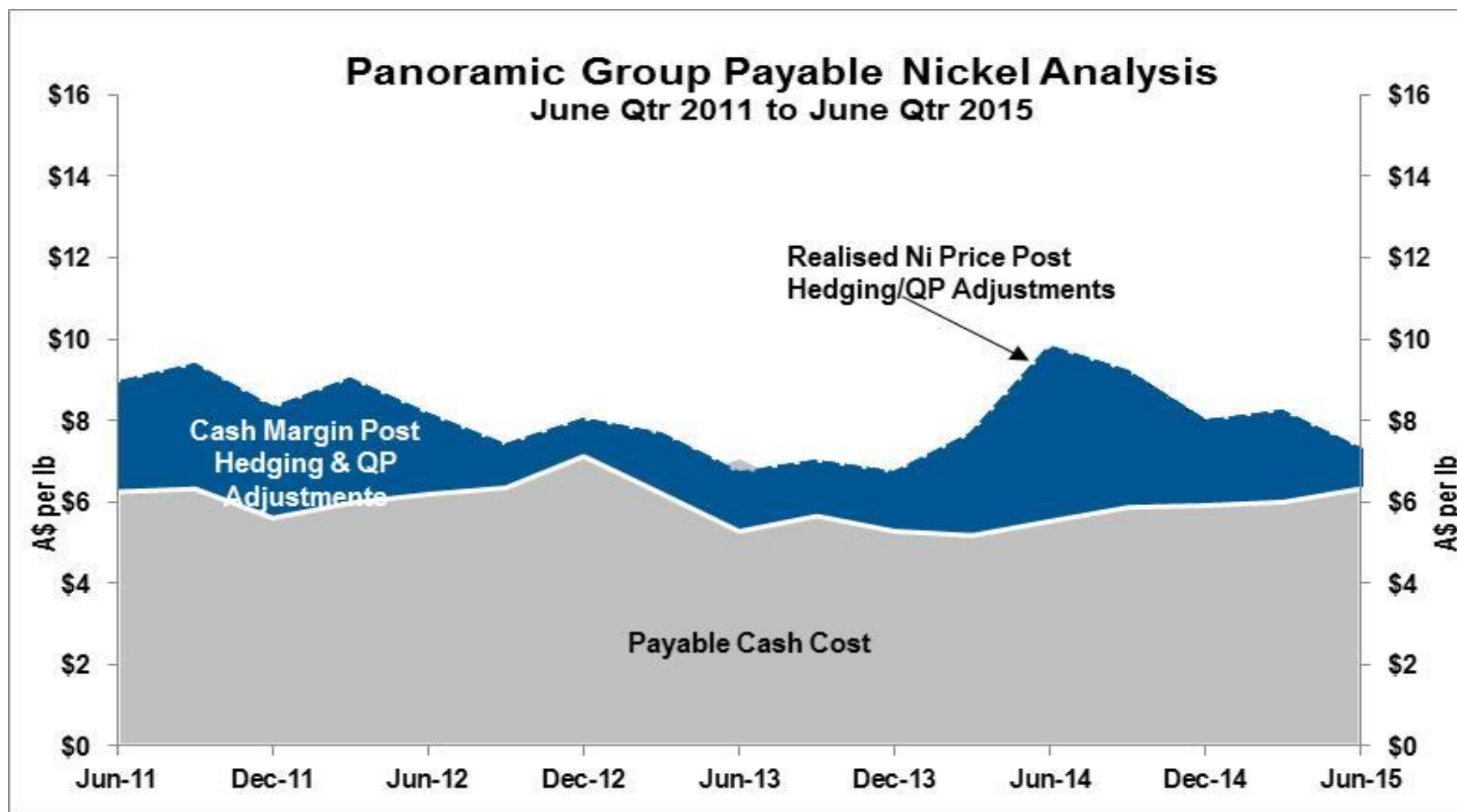
# Dividends

- **FY15 dividends** - 1 cent fully franked Interim Dividend paid 2 April 2015, no final dividend
- **Aggregate dividends** - 55.5 cents per share
- **Total payout** - \$114.3 million paid in fully franked dividends



# Operating cash margin

- Group A\$ cash margin, on a payable nickel basis



Group payable nickel unit cash costs on a quarterly basis from the June 2011 quarter, together with the Group net realised A\$ average quarterly nickel price (after hedging and quotational period pricing adjustments).

# FY2016 Goals

## SAFETY

No LTI's



## GROWTH

Increase nickel reserves

## RESOURCES

Add 150,000t Ni



## GOLD

Monetise assets

## COSTS

Continue to reduce  
across business



## PGMs

Advance Projects

# Outlook – FY2016 production and expenditure

- **Production Guidance** - 10-10,500t Ni (*Savannah only*)
- **Exploration Expenditure**
  - Savannah North - Resource definition drilling
  - Lower Schmitz - Resource definition drilling
  - \$4 million in total on Group exploration activities inclusive of rents and rates
- **Mine Capital Expenditure**
  - \$5 million of mine development
  - \$4 million on sustaining capital
  - \$2 million on equipment finance leases
- **Project Studies**
  - Panton - \$0.2 million on metallurgical test work

*Note: Mine capital, exploration and project study expenditure limited in response to lower nickel price*





# Corporate summary

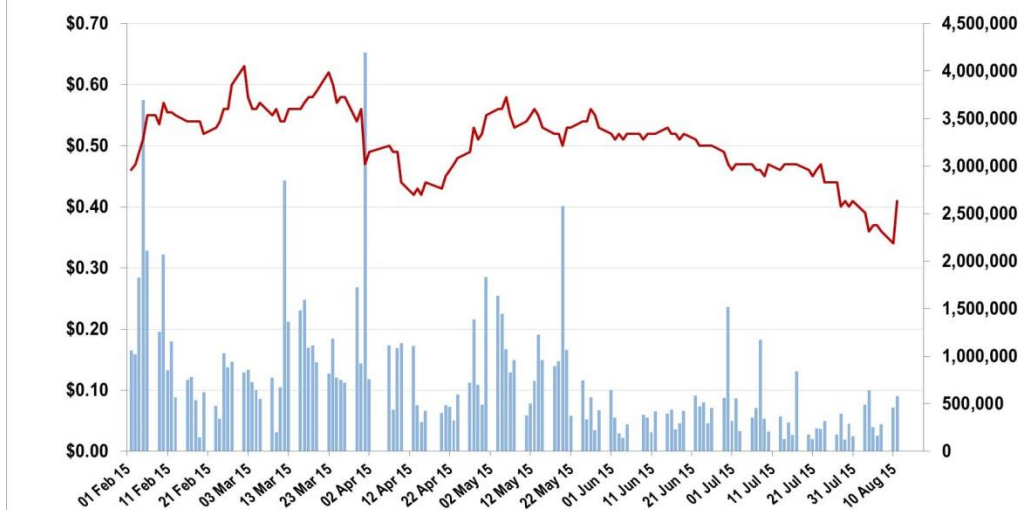
## Market Cap and Enterprise Value Pro forma

<b>Index</b>	S&P/ASX All Ordinaries
<b>ASX Ticker</b>	ASX: PAN
<b>Shares on issue</b>	321.4M
<b>Share Price</b>	\$0.38 <i>(28 August 2015)</i>
<b>Market Cap</b>	\$122M
<b>Cash</b>	\$54M <i>(30 June 2015)</i>
<b>Bank debt</b>	Nil
<b>Enterprise Value</b>	\$68M

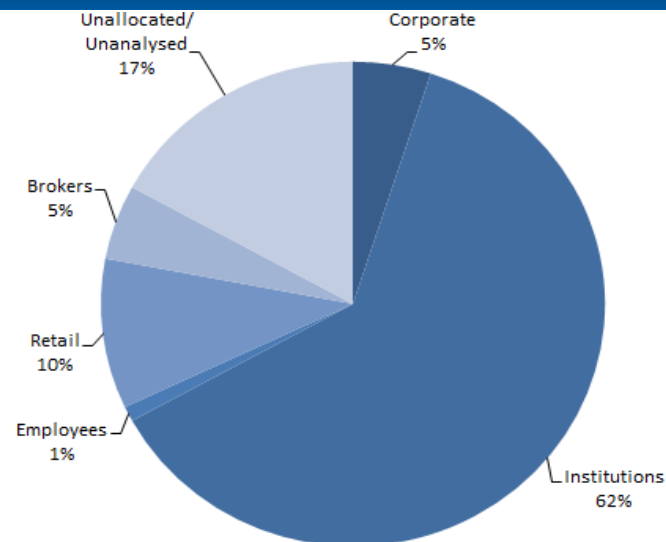
## Board

Brian Phillips	Non Executive Chairman
Peter Harold	Managing Director
Chris Langdon	Non Executive Director
John Rowe	Non Executive Director
Trevor Eton	CFO/Company Secretary

## 6 month share price performance



## Shareholder spread +60% institutional



# Our portfolio – nickel, copper, cobalt, gold, platinum, palladium

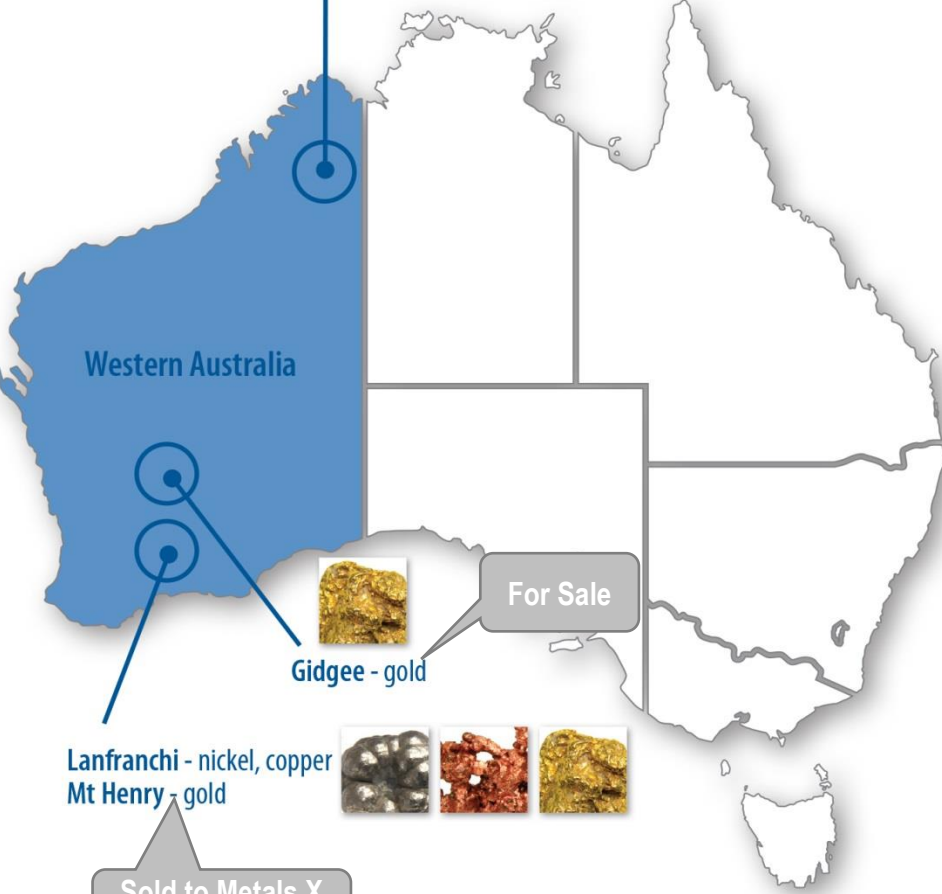
Rio Tinto earning 70% in the project by spending up to C\$20M over 5 years



Thunder Bay North - platinum, palladium, copper, nickel



Savannah - nickel, copper, cobalt  
Copernicus - nickel, copper, cobalt  
Panton - platinum, palladium, gold



Gidjee - gold

For Sale

Lanfranchi - nickel, copper  
Mt Henry - gold



Sold to Metals X  
(31 July 2015)

A night sky with the Milky Way galaxy visible, set against a landscape of dark hills and a small town with lights in the distance.

**ASX : PAN**

**[www.panoramicresources.com](http://www.panoramicresources.com)**

### **Mission Statement**

We strive to achieve excellence in all aspects of our business to provide long term capital growth and dividend return to our shareholders, a safe and rewarding work environment for our employees, and opportunities and benefits to the people in the communities we operate in.