

## Panoramic to rouse Savannah with \$315m in contract awards

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📁 News

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Panoramic Resources is set to bring the Savannah nickel operation in Western Australia back to life following a rigorous 12-month review.

The company board has approved of its restart, with underground mining at Savannah North scheduled to resume in August this year.

Panoramic has signed an agreement valued at over \$280 million with Barminto for the provision of four years of mining services including a new mining fleet.

Barminto anticipates mobilisation to occur in July as the two companies finalise their documentation in the coming weeks.

“Since the award of the initial Savannah contract in February 2020, Barminto has delivered underground development services to Panoramic and our existing knowledge of the Savannah project holds us in good stead to continue to provide safe, efficient and high-quality underground mining services and deliver value and certainty for our client,” Perenti Mining chief executive Paul Mull

*The Savannah nickel mine. Image: Barminto*

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Panoramic plans to begin ore processing in November, with first concentrate to be shipped the following month.

Primero will operate and maintain the Savannah processing plant and surface infrastructure facilities for three years, with an option for a two-year extension, under a \$35 million contract.

The engagement of contractors for both underground mining and processing will significantly de-risk human resourcing amid a tightened labour market, according to Panoramic managing director Victor Rajasooriar.

This was a key challenge at Savannah in 2018 and 2019.

Rajasooriar expects the Savannah restart to create 320 positions that will largely be filled by the contractors' workforce, with Panoramic maintaining a low headcount of just around 40.

The managing director said the company had learned many lessons in the lead up to the temporary of suspension of the Savannah operations in April last year.

"Since that time, we have recapitalised the business and undertaken a range of planning and site-based initiatives to put the operation in a much stronger position for restart," he said.

"This process of optimisation combined with the improved outlook for Savannah's high-quality nickel, copper and cobalt products, has given the board confidence in approving the restart with a target of first shipment from Wyndham Port by the end of 2021."

Panoramic plans to deliver 9072 tonnes of nickel, 4683 tonnes of copper and 676 tonnes of cobalt in concentrate at Savannah per year.

The restart decision is underpinned by a five-year nickel and copper concentrate offtake agreement with Trafigura Group, which will last from February 2023 to 2028.

Trafigura intends to provide a \$US45 million (\$58.8 million) loan to help cover the entire costs of Savannah's restart.

"Production from Savannah is now committed until February 2028, or for about half of the current 12-year mine life," Rajasooriar said.

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