

15 April 2020

Suspension of operations by Panoramic Resources

Perenti (ASX: PRN) refers to an ASX announcement today by Panoramic Resources Limited (ASX: PAN) regarding the temporary suspension of operations at its Savannah Nickel Mine in Western Australia.

Perenti subsidiary Barmenco signed an agreement on 21 February 2020 to undertake mine development, production and haulage at Savannah. Barmenco mobilised plant and commenced contract mining shortly thereafter and will now work closely with Panoramic to support their decision and ensure an orderly suspension of operations.

Given the contract had only recently been finalised and Barmenco's role was in its early stages, the anticipated earnings contribution in FY20 was NPAT of circa \$1.5 million, which had not been factored into previous guidance.

Barmenco currently has approximately \$13 million in equipment and approximately 120 people deployed at Savannah that could be redirected to other projects in Perenti's portfolio should there be no clear sight to recommencement of operations. Any redeployment of equipment would result in deferral of near-term capital expenditure requirements at other sites, thereby improving the group's cash position. Barmenco is currently owed approximately \$7 million from Panoramic, including the value of work completed to date in April that has not been invoiced. There is no dispute that this amount is payable.

More broadly, Perenti confirms that to date it has experienced no material financial impact from COVID-19 related interruptions across its global operations.

Perenti continues to have a strong liquidity position with current cash reserves of circa \$315 million and circa \$115 million in undrawn revolving credit facilities. In addition, the company has access to equipment finance facilities.

Authorised by:
Mark Norwell
Managing Director and CEO

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Investor enquiries:
Engelbert Bets
General Manager – Corporate Finance & Investor Relations
Perenti
+61 477 322 607

Media enquiries:
Adrian Watson
Senior Director
FTI Consulting
+61 419 040 807

Level 2, 202 Pier Street
Perth WA 6000
Australia
PO Box 8286
Perth WA 6849
Australia
T +61 8 9421 6500
E investorrelations@perentigroup.com

Perenti Global Limited ABN 95 009 211 474 (ASX: PRN) (**Perenti**)

perentigroup.com

Perenti is a diversified global mining services group with businesses in surface mining, underground mining and mining support services. The Group was founded in Kalgoorlie in 1987 and is today one of the world's largest companies providing surface and underground mining at scale. Headquartered in Australia, Perenti has operations and offices in 13 countries across four continents, employs around 8,000 mining professionals and is creating enduring value and certainty for clients on some of the world's largest mining projects.