



Rural

Feasibility of reopening Kimberley nickel mine looking good for Panoramic Resources

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Updated 2 February 2017 at 12:24 pm

First posted 2 February 2017 at 12:18 pm

Mining company Panoramic Resources says it is in a good position to restart its nickel mine north of Halls Creek as soon as the commodity price improves.

Panoramic today announced the results of its feasibility study that evaluated the technical and financial viability of restarting the mine, which has been under [care and maintenance since May last year](#).

Managing director Peter Harold said the study confirmed the mine life could be extended by 10 years and the cost of recommencing operations would be \$20 million.

He said the only hurdle to restarting the mine was the price of nickel

"We'd want to see the nickel price higher than \$US4.40/lb," he said.

"The positive thing is in just the last couple of days, we saw a research note from RBC [Capital Markets], which has put out their view of the market, and they expect the price to increase to about \$US5/lb over 2017, then \$US6/lb in 2018 and up to \$US10/lb in 2020.

"Their long-term forecast is about \$US8/lb.

"But today the price is \$US4.60/lb, so we'd need to see the price rally from here and move up inline with that forecast, which I think it will.

"As soon as we see some stability and at a level where it's profitable, we can restart the mine."

Mine has a strong future

Mr Harold said he hoped mining would recommence in 2017, but could not commit.



[The Savannah nickel mine processing plant, East Kimberley, WA.](#) (Panoramic Resources)

[Peter Harold talks about the possibility of restarting the Savannah nickel mine.](#) (ABC News)

He said the mine had a bright future.

"The company's decision to place Savannah onto care and maintenance in May 2016, thereby preserving the remaining ore reserve during this current cycle of weak nickel prices, will allow us to resume operations with a short lead time and minimal capital investment," he said.

"When we started the Savannah project 12 years ago it only had a four-year mine life, but obviously we discovered a lot more ore and we ran for 12 years.

"Then about two or three years ago we discovered Savannah North and we didn't really know whether it was going to be an ore body because it was deeper and we were a bit unsure.

"But the drilling we've done over the past 12 months has proven up a significant resource base and we've now got something like three times as much nickel in the ground as we had when we started in 2004 and the grade is actually higher."

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10 Year Mine Life, 114,000t Ni, 53,700t

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9:53 AM - Feb 2, 2017