

(Administrators Appointed)

31 January 2024

Quarterly Activities Report for the period ending 31 December 2023

Summary

SAVANNAH NICKEL OPERATIONS

- On 14 December 2023, Panoramic Resources Limited (ASX:PAN) (“**Panoramic**” or “**the Company**”) commenced formal insolvency proceedings with the appointment of Daniel Woodhouse, Hayden White and Kate Warwick from FTI Consulting as joint and several voluntary administrators (“**Administrators**”).
- On 8 January 2024, the Administrators, having consulted with major creditors, key suppliers and other stakeholders, concluded to suspend production at the Savannah Nickel Project (“**Savannah**”), with the result that circa 140 of the site workforce were stood down and made redundant. Several positions within Panoramic’s Perth office have, consequently, also been made redundant.
- Suspension of operations is now complete, with the asset left in a production ready state.
- Depressed nickel prices over the quarter, and continuing post quarter end, were a primary contributor to the Board’s decision to appoint Voluntary Administrators, and subsequently the Administrators’ decision to suspend production.
- A dual track strategy to sell or recapitalise the Panoramic business is underway, and will look to realise the full value of the defined ore bodies, extensive infrastructure, and exploration potential of Savannah.
- The December 2024 quarter delivered the highest quarterly volume of ore through the processing plant since the restart of operations at Savannah:
 - Ore mined decreased 13% quarter-on-quarter to 160,927t;
 - Ore milled increased by 2% to 187,943t;
 - Concentrate production was down 17% to 19,543dmt, with:
 - Contained nickel production down 15% to 1,435t nickel;
 - Contained copper production down 10% to 836t copper; and
 - Contained cobalt production down 26% to 99t cobalt;
- Two shipments of nickel-copper-cobalt concentrate were completed in the quarter:
 - Concentrate shipments were down 23% to 14,991dmt with:
 - Contained nickel shipped down 19% to 1,129t;
 - Contained copper shipped down 14% to 660t; and
 - Contained cobalt shipped down 35% to 72t.

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- The third ship which arrived at the Port of Wyndham on 26 December, did not depart until 4 January 2024 due to delays caused by third-party stevedoring activities. The cargo totalling 10,070wmt of concentrate largely comprised December production, and has been recorded as a post quarter shipment.
- Unit costs saw a quarter-on-quarter increase across C1, AISC and AIC metrics due to lower payable nickel production, higher operating costs and the inclusion of planned capital expenditure on a wall lift at tailing storage facility.

	Units	Dec Qtr 2023	Sep Qtr 2023	Change Qtr on Qtr
Unit Costs	C1	A\$/lb	13.93	10.15
	AISC	A\$/lb	16.62	+38.9%
	AIC	A\$/lb	16.97	+35.5%

- FY24 Guidance for the March and June 2024 quarters together with the full year guidance has been withdrawn following the suspension of operations at Savannah .

SAVANNAH NICKEL EXPLORATION

- Drilling during the quarter focused on infill drilling the Savannah Extension below the 900 Fault, significantly de-risking future development of the Savannah orebody.
- Underground diamond drilling finished with the drilling contractor demobilised on 23 November 2023.

CORPORATE

- Cash at the end of the quarter totalled \$27.3 million.
- Debt repayments for the quarter totalled A\$1.7 million.

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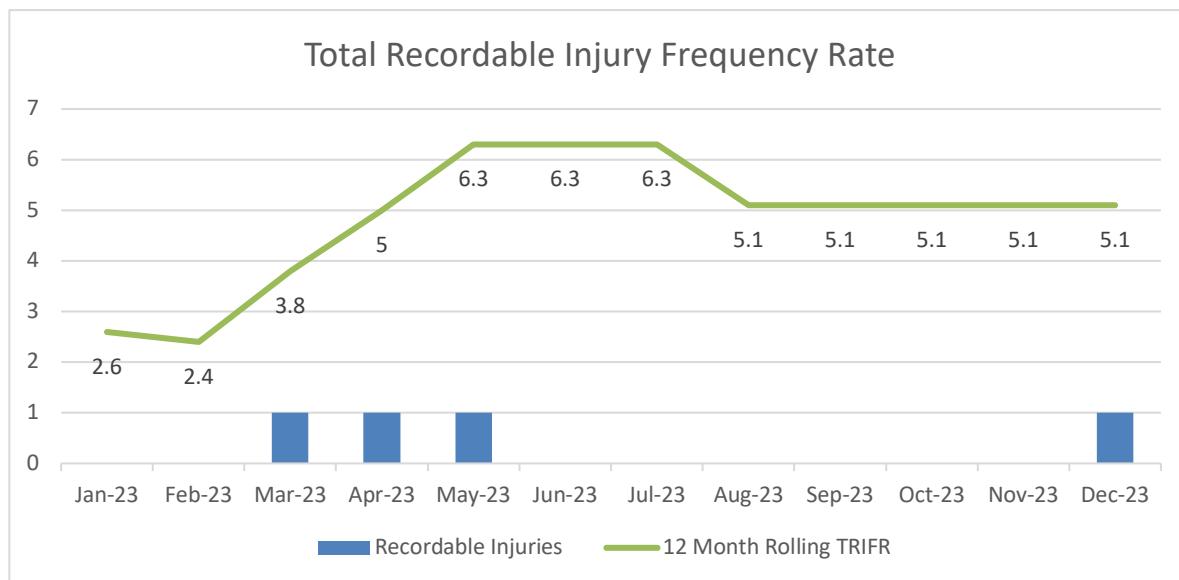
Savannah Nickel Project – Operations

Safety

A significant focus for the quarter was to realign safety and training systems for the processing and maintenance teams to work under one Panoramic system. This followed the cessation of Primero providing contracting services for the processing operations and the associated onboarding of Primero personnel to the Panoramic workforce.

The total recordable injury frequency rate (“TRIFR”) remained at 5.1 with one recordable injury sustained in December, and prior to the Administrators’ appointment, where an employee received lime burns to their lower legs and feet whilst working in the processing plant.

Significant effort was placed on protecting the operation from bushfires during October, including through proactive back burning programs which proved effective when fires developed later in the quarter, preventing any major damage to plant or associated infrastructure.



Environment

During the quarter, operations at Savannah maintained compliance with all regulatory and operating license requirements.

Construction of the Stage 6 Lift of the Savannah Tails Storage Facility (“TSF”) commenced in early October and completed during the quarter, with a 2.5 metre lift to the TSF wall. This is expected to provide disposal capacity for an estimated 2 further years of mine life.

Primary environmental focus during the reporting period was housekeeping and contaminated water containment in the mill area.

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Underground Mining

Underground mining activities continued throughout the quarter with ROM stock levels maintained in excess of 25,000t. Ore extraction from the mine was de-prioritised in favour of matching plant processing rates, to avoid ore oxidising on the ROM pad and resultant poor metallurgical recoveries. Ore mined for the quarter was 160,927t which was a 13% decrease on the previous quarter.

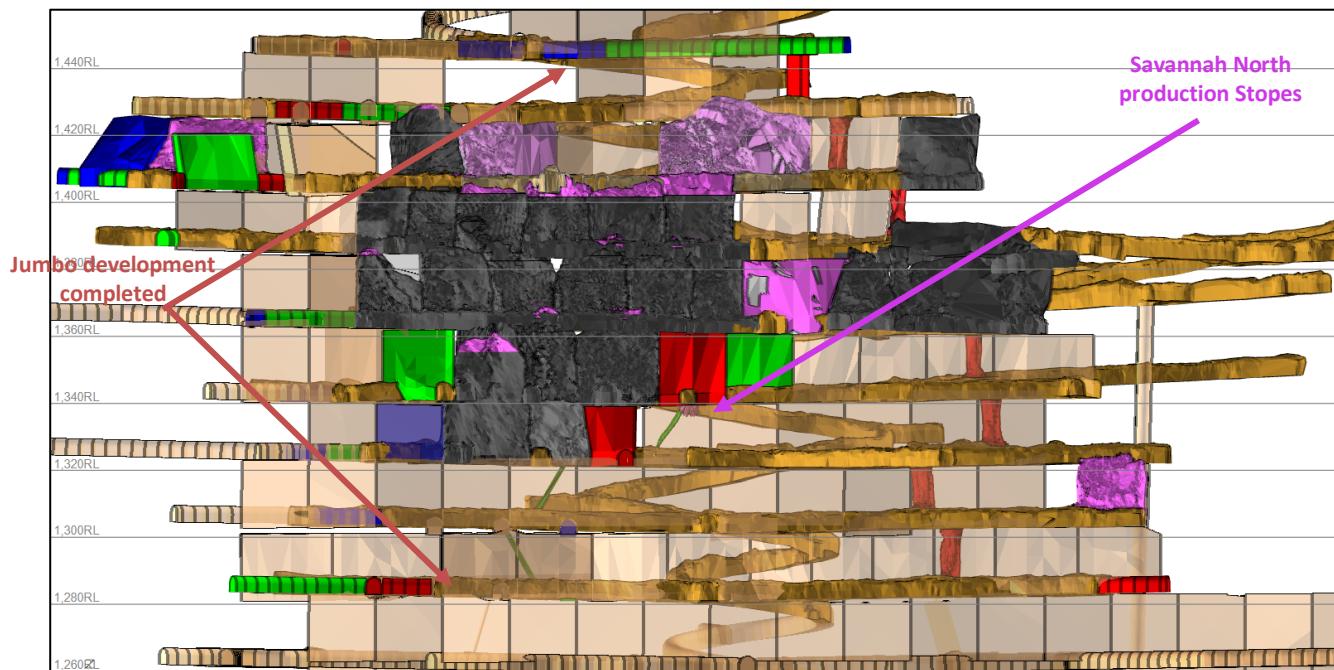
Stoping continued as planned in Savannah North with production delivered across 5 levels. December ore production from Savannah North was impacted due to the re-establishment of an escapeway on the 1341 level impacting production from that level.

During the quarter the first stope from the Savannah Extension was successfully mined and paste filled. Infrastructure works were carried out in the Savannah Extension, allowing for a substation and underground chiller plant to be installed when required.

Paste placement reliability continued to improve during the quarter, with a record 52,000m³ of paste poured. At the time of suspension of operations paste fill was not considered to remain as a significant constraint in the Savannah North mining sequence.

Lateral development for the quarter was 768m, which was a 7% reduction on the previous quarter. Development is well advanced, providing the opportunity to utilise a single jumbo development drill fleet to achieve the previously planned production profile in the near term.

Figure A: Long Section of development and stoping at Savannah North



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Figure B: Long Section of development and stoping at Savannah

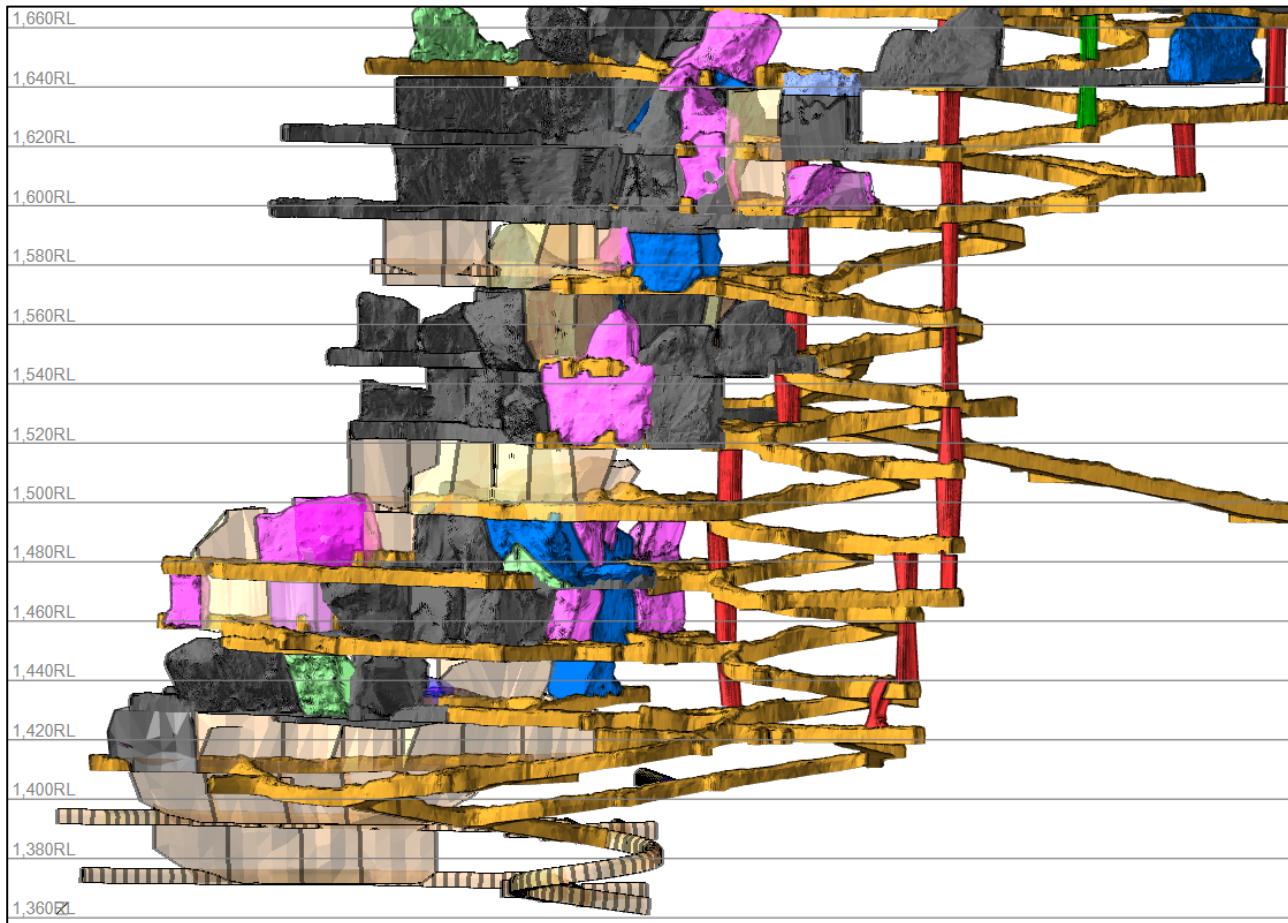


Table 1: Mining physicals achieved at Savannah

Area	Details	Units	Dec Qtr 2023	Sep Qtr 2023	Variance
Mining	Jumbo development	m	768	829	-7%
	Ore mined	dmt	160,927	185,213	-13%
	Ni grade	%	1.06	1.18	-10%
	Ni Metal contained	dmt	1,707	2,178	-22%
	Cu grade	%	0.50	0.55	-9%
	Co grade	%	0.07	0.08	-6%

Processing and Concentrate Production

187,943 tonnes of ore were processed in the quarter, representing a 2% increase on the previous quarter and the best quarterly throughput achieved since the restart of operations in 2021.

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The quarter included a 2-day unplanned shutdown in October as a result of a bushfire which required resources to be diverted to protecting critical infrastructure. The bushfire was successfully contained and damage caused was negligible and limited to some outside services infrastructure which was readily repaired.

The transition to the owner processing model was executed early in the quarter as discussed above, with unplanned downtime at the processing plant continuing from the previous quarter. The focus on retaining and training the inexperienced processing team was a priority with positive outcomes evident by the end of the quarter.

Metallurgical recoveries were lower than previous quarters reflecting a number of factors including oxidation of ore on the ROM, operational inconsistencies and the relatively poor quality of processing water introduced into the plant. Changes were made at the end of the quarter to improve the quality of the process water which resulted in immediate metallurgical recoveries improvement.

Table 2: Processing physicals achieved at Savannah and Savannah North

Area	Details	Units	Dec Qtr 2023	Sep Qtr 2023	Variance
Milling	Ore milled	dmt	187,943	184,009	2%
	Ni grade	%	1.04	1.17	-11%
	Cu grade	%	0.49	0.55	-9%
	Co grade	%	0.07	0.08	-15%
	Ni recovery	%	73.59	78.36	-6%
	Cu recovery	%	89.87	92.70	-3%
	Co recovery	%	75.01	89.04	-16%
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Concentrate Production	Concentrate	dmt	19,543	23,411	-17%
	Ni grade	%	7.34	7.19	2%
	Ni Metal contained	dmt	1,435	1,684	-15%
	Cu grade	%	4.28	3.98	7%
	Cu Metal contained	dmt	836	932	-10%
	Co grade	%	0.51	0.58	-12%
	Co Metal contained	dmt	99	135	-26%
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Concentrate Shipments	Concentrate	dmt	14,991	19,344	-23%
	Ni grade	%	7.53	7.17	5%
	Ni Metal contained	dmt	1,129	1,388	-19%
	Cu grade	%	4.40	3.98	11%
	Cu Metal contained	dmt	660	770	-14%
	Co grade	%	0.48	0.57	-16%
	Co Metal contained	dmt	72	110	-35%

Port Operations and Shipments

Two concentrate shipments were completed during the December quarter. At the end of the quarter, produced / unsold concentrate on hand at the port and mine site totaled 9,589dmt.

A third ship arrived and commenced loading 26 December 2023, departing on 4 January 2024 with 10,070wmt of concentrate, after delays caused by third party stevedoring.

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Costs

Table 3: Cost outcomes achieved during the December quarter 2023

		Units	Dec Qtr 2023	Sep Qtr 2023	Change Qtr on Qtr
Unit Costs	C1	A\$/lb	13.93	10.15	+37.2%
	AISC	A\$/lb	16.62	11.96	+38.9%
	AIC	A\$/lb	16.97	12.52	+35.5%

Total site expenditure for the quarter net of by-product credits was \$41.7 million, up 14% from the previous quarter.

Savannah operating C1 expenditure (cash basis net of by-product credits) for the quarter was \$34.2 million, which results in a C1 cash cost per pound of payable nickel of \$13.93/lb. Lower quarter-on-quarter payable nickel production contributed to the result together with higher energy/diesel costs (seasonal consumption), increased paste costs (higher volumes delivered) and increased sea freight costs (market conditions).

By-product credits were down 7% (A\$0.24/lb) on forecast during the quarter as a result of lower realised copper and cobalt prices.

Sustaining capital expenditure inclusive of plant, equipment and mine development totaled \$6.6 million being an increase against planned spend for the quarter. The result includes capital expenditure for wall lift works at the TSF that were commenced and completed (ahead of plan) in the quarter. This resulted in a AISC unit cost per pound of payable nickel of \$16.62/lb.

Growth expenditure and in-mine exploration costs reduced to \$0.8 million in the quarter, with a resulting AIC unit cost of payable nickel of \$16.97/lb.

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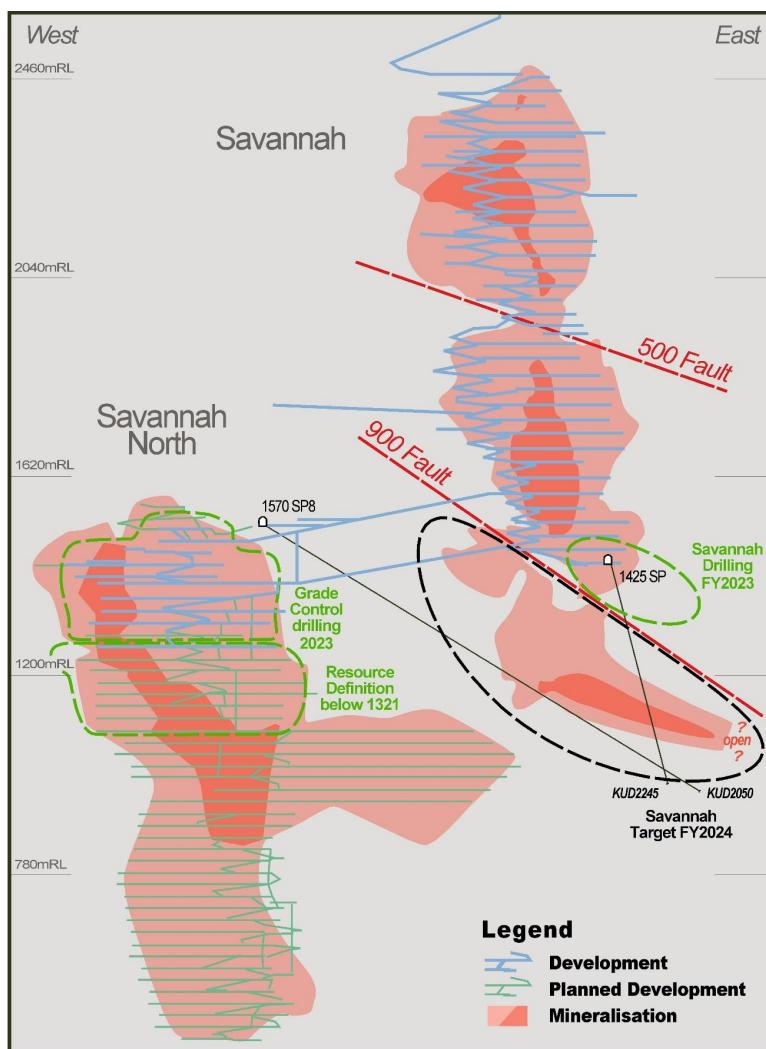
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Exploration – Savannah Mine

Savannah Drilling and DHEM Program Update

Drilling of the Savannah Sub 900 Fault orebody commenced during the quarter. Drilling focused from east to west along the southern contact of the intrusion immediately below the 900 Fault. The drilling, accompanied by the previously updated geological / resource models based on the KUD2050 and KUD2245 results continues to de-risk development to the base of the intrusion at approximately 5450mE and possibly further if the future Western Splay targeting is positive.

Figure C: Long section view of Savannah and Savannah North mineralisation above and below the 900 Fault featuring drill holes KUD2245 and KUD2050



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Corporate

Concentrate Revenue

Revenue received in the quarter from the Company's offtake partner Trafigura totaled US\$18.1 million (A\$27.8 million), following the issue of provisional invoices covering 14,991dmt of concentrate containing 1,129t of contained nickel.

Two shipments from previous quarters were finalised in the period resulting in a favorable QP cash inflow adjustment (net of hedges settled) of US\$0.08 million (A\$0.12 million).

All payments received are inclusive of all three metals contained in the concentrate.

Hedging

During the quarter, the Company entered into new hedges totaling 312t of nickel at an average price of US\$16,770/t. Hedges from the previous quarter totaling 360t of nickel were settled in the quarter at an average price of US\$18,118/t.

As a result of the appointment of the Administrators to the business in December, all outstanding hedges at that time were required to be settled ahead of term, in accordance with conditions of the underlying hedging facility. A total of 312t of nickel metal hedging was consequently settled, resulting in a small cash gain.

At the end of the December quarter, there were no nickel or other hedges in place.

Trafigura Finance Facility

During the quarter the Company made two scheduled debt repayments to the Prepayment Loan Facility (PLF) totaling US\$1.10 million. Debt repayments since initial drawdown total US\$8.50 million.

Total drawn debt (PLF and RCF) as at 31 December 2023 was US\$36.5 million.

Group Cash

Group cash as at 31 December 2023 totaled A\$27.3 million.

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Exploration Drilling

The information in this release that relates to exploration drilling at Savannah was last reported in the announcement "Savannah Nickel Project 2023 Mineral Resource and Ore Reserve Statement" dated 5 October 2023. The Company is not aware of any new information or data that materially affects the information included in that announcement.

Forward Looking Statements:

This announcement contains certain "forward-looking statements" and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company and the Administrators, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to the Company and the Administrators as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), the Company and the Administrators undertake no obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

This ASX announcement was authorised by the Voluntary Administrators of Panoramic.

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