

31 January 2023

Quarterly Activities Report for the period ending 31 December 2022

Summary

SAVANNAH NICKEL OPERATIONS

- Mining and processing operations at Savannah continue to ramp up safely.
 - Ore mined increased 18% quarter-on-quarter to 178,239t.
 - Ore milled improved by 15% to 176,888t, delivering the best quarter since restart.
 - Concentrate production up 13% to 20,274dmt, the highest since restart, with:
 - Contained nickel production up 14% to 1,524t nickel
 - Contained copper production up 2% to 830t copper
 - Contained cobalt production up 21% to 105t cobalt
- Three shipments of nickel-copper-cobalt concentrate completed:
 - Concentrate shipments up 48% to 23,801dmt with:
 - Contained nickel shipped up 50% to 1,755t
 - Contained copper shipped up 48% to 996t
 - Contained cobalt shipped up 67% to 128t
 - Post the quarter, a ship departed Wyndham Port on 14 January 2023 carrying 7,972wmt of concentrate. A ship has been booked for mid-February and preparations underway to book a ship for mid-March.
- Unit cost performance for the quarter trended down across C1, AISC and AIC metrics.
- Costs still being impacted by inflated prices for labour, fuel, consumable inputs and lower than planned by-product commodity prices.

		Units	Dec Qtr 2022	Sep Qtr 2022	Change Qtr on Qtr	Total H1 FY23
Unit Costs	C1	A\$/lb	11.81	11.92	-1%	11.86
	AISC	A\$/lb	13.71	13.80	-1%	13.75
	AIC	A\$/lb	16.06	17.89	-10%	16.91

SAVANNAH NICKEL EXPLORATION

- Grade control drilling continued at Savannah North with excellent meterage rates achieved.
- Final Savannah Extension drill results returned high-grade mineralisation over higher than expected widths with DHEM survey planning for March quarter.
- Surface heritage survey postponed to March quarter due to adverse weather conditions.

CORPORATE

- Cash at the end of the quarter of A\$27.4 million, up from A\$25.1 million at the end of the previous quarter.
- Debt repayments for the quarter total US\$1.35 million.
- US\$15.0 million Revolving Credit Loan Facility availability period extended nine months to 31 December 2023 with all documentation executed with Trafigura Pte Ltd in October 2022.
- Three shipments from previous quarters were finalised during the period resulting in a QP cash outflow (net of hedging) of US\$2.98 million. Adjustment higher due to offsetting hedge gain for one shipment US\$2.18 million settling (cash inflow) in the previous quarter.

FY23 GUIDANCE UPDATE

- Production guidance for FY23 of 6,600 – 7,100t of nickel, 4,100 – 4,500t copper and 400 – 500t cobalt in concentrate remains unchanged, albeit towards the lower end of guidance.
- C1 cost guidance modified to reflect higher cost for fuel, freight, labour, consumable inputs, lower by-product metal prices and production now expected at the lower end of guidance.
- Lower AISC guidance largely driven by the redeployment of a jumbo in the second half based on underground development at Savannah North being ahead of schedule.
- AIC includes new capital expenditure on the Savannah Extension mine development being brought forward to further de-risk the operations following recent exploration success.
- Updated FY23 cost guidance for payable nickel production is as follows:

		Units	Total H1 FY23	Original FY23 Cost Guidance	Updated FY23 Cost Guidance
Unit Costs	C1 ¹	A\$/lb	11.86	\$7.30 – \$8.30	\$11.00 – \$11.50
	AISC	A\$/lb	13.75	\$20 – \$28 million	\$16 – \$20 million
	AIC	A\$/lb	16.91	\$14 – \$18 million	\$23 – \$27 million

¹ By-product pricing based on Cu US\$9,000/t, Co US\$39,000/t, AUD:USD 0.70 exchange rate vs previous estimate of Cu US\$9,500/t, Co US\$70,000/t, AUD:USD 0.72 exchange rate

Panoramic Managing Director and CEO, Victor Rajasooriar commented:

“The ramp-up of underground mining activities at Savannah was a particularly pleasing achievement and supported record plant throughput and concentrate production in the quarter. With a workforce fully established and improving safety performance, our staff and business partners can be proud of the improved performance this quarter. Minimising the impact of cost escalation is a big focus for our team in the quarters ahead. Our business is in good shape and we look forward to delivering on our ramp-up plan with a target of improved production again next quarter.”

Savannah Nickel Project – Operations

Safety

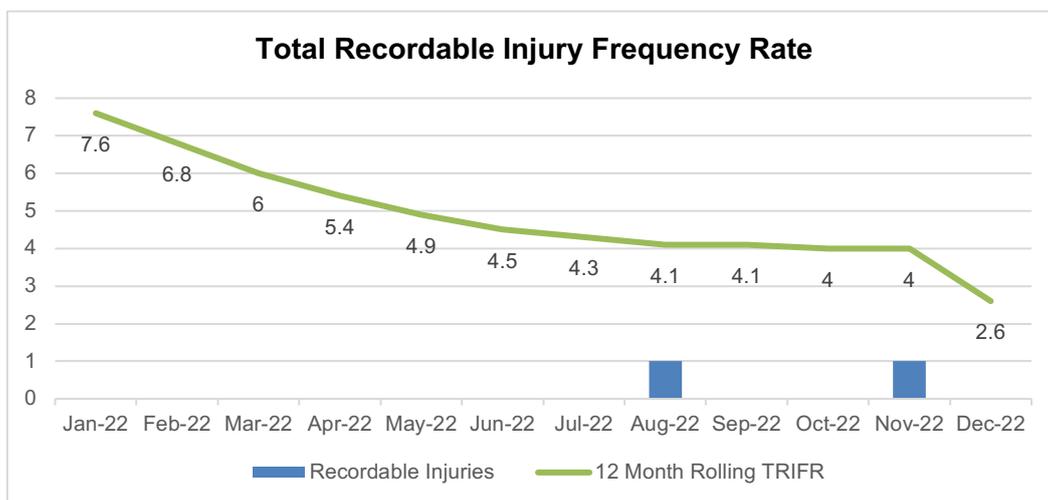
The overall site safety performance has continued to improve with the 12-month Total Recordable Injury Frequency Rate (TRIFR) reducing to 2.6 at the end of the quarter from 4.1 at the end of the September quarter.

There was one recordable injury on site in the quarter when a process plant operator fractured a finger whilst unblocking a cement pipe.

Employment of an additional full time Safety and Emergency Response Advisor within the Safety team was completed during the quarter. The appointment is designed to provide consistent safety and emergency response coverage onsite and provide the required resources for the implementation of a new Safety Management System coming into practice later this year.

Training and recruitment for the Emergency Response Team continued during the quarter with the required numbers maintained and new members joining the team regularly.

The impact of COVID-19 on the workforce has significantly decreased with only a handful of cases presenting in recent months. Employees are still being encouraged to stay at home if they show symptoms to prevent disruptions to the workforce.



Environment

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

An updated Mine Closure Plan has been submitted to DMIRS and a consolidated Mining Proposal document is currently under review for submission early 2023.

World-leading closure design experts, Okane Consultants, have been engaged to provide a design for the TSF Closure Cover. A report detailing a 50% Cover Trial Design is due for review in February.

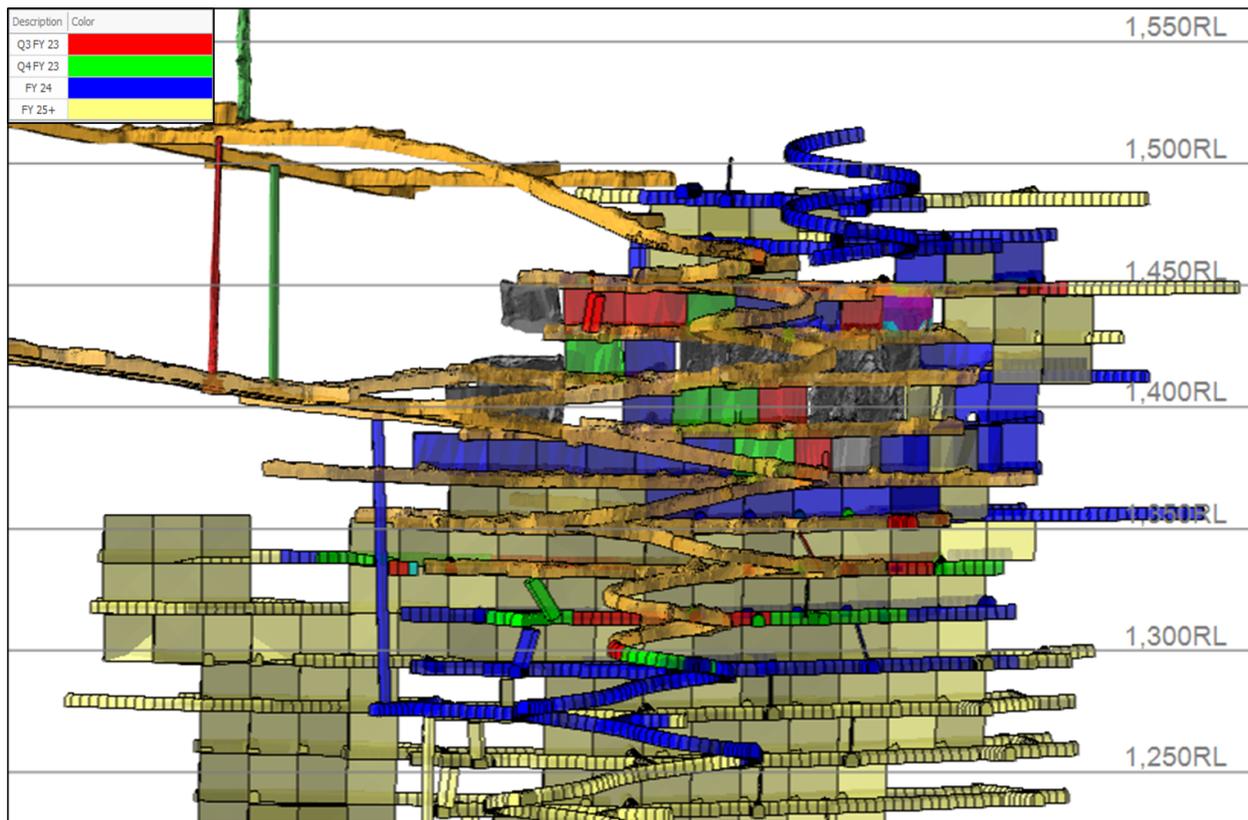
Underground Mining

Underground mining continued to improve in the quarter with an 18% increase in ore mined to 178,239t. Ore production in December from the underground was 72,270t which was a record and in line with life of mine modelling.

Development achieved during the quarter was 1,142m, which is lower than the previous quarter by 12%. The reduced development was a result of the development Jumbo fleet being reduced from two to one in December 2022. The decision to reduce development physicals was due to Savannah North decline (capital development) being well in front of the production fronts required and as part of a broader cost mitigation strategy. A reduced development rate is scheduled for the next 12 months with no negative impacts on ore production from the mine.

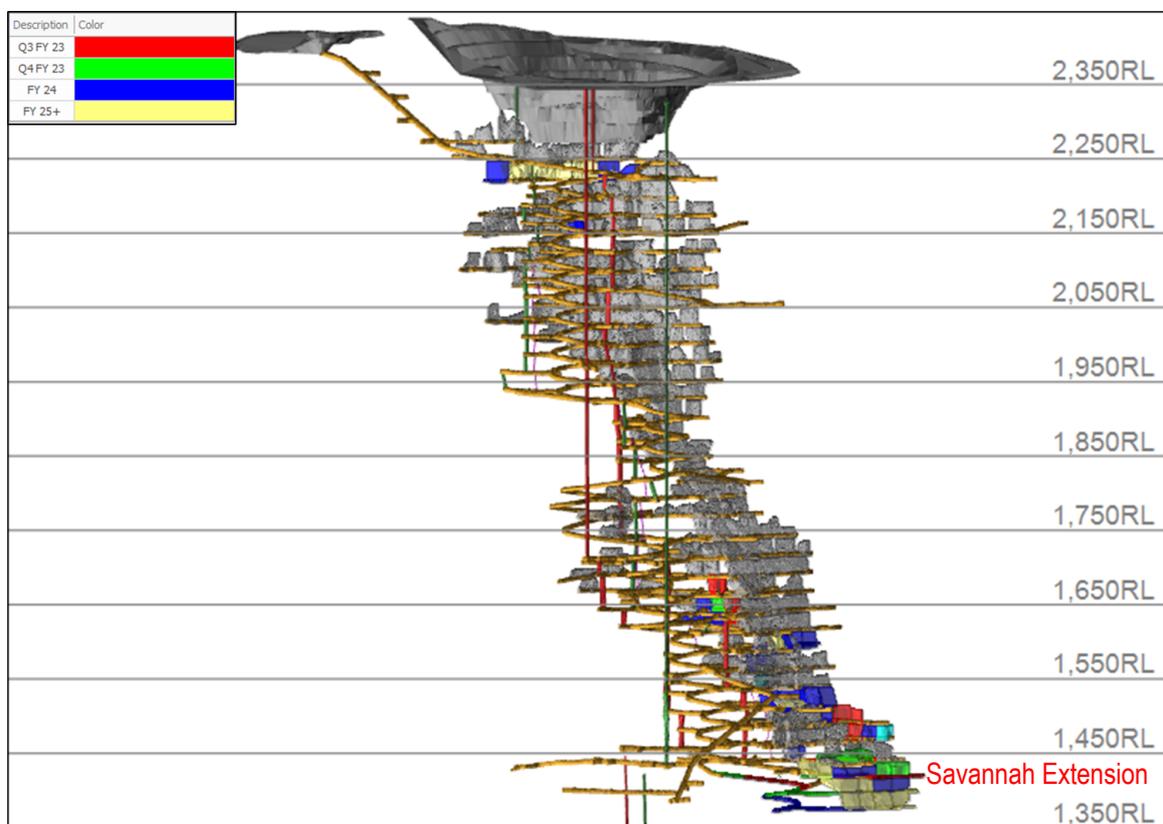
Mining continues to progress well in the Savannah North orebody with stopes now being mined over four levels. Steady state operations will see stoping activities carried out over four to five levels concurrently. Application of paste fill continued in line with production requirements with 35,000m³ of paste poured during the quarter.

Figure A: Long Section of Savannah North



Mining in the Savannah orebody continued to focus on remnant mining areas with stopes being mined from two separate mining fronts. Development also continued to progress towards accessing the resources below the historical workings at Savannah (Savannah Extension). Development in the Savannah Extension was however slower than planned with remediation works having to be carried out to rectify a partially failed vent rise (from mining activities in 2016). Steps have been taken to recover the ventilation rise and development is expected to resume later in the March quarter.

Figure B: Long Section of Savannah



The mining fleet availability during the quarter was below plan with trucks (78% vs 85%) and loaders (70% vs 80%) impacted by premature component failures and lack of available spares when required, with some components having to be expedited from the eastern states. An action plan has been developed with focus on improving skills and supervision within the underground mobile maintenance team and raising the level of parts inventory maintained on site. Implementation of this plan delivered improvement in December 2022. However, given the lower availability, the mining schedule was modified to target easily accessible areas of the mine, which has resulted in some higher-grade stopes being planned for the second half of FY23 now moving into FY24.

Table 1: Mining physicals achieved at Savannah and Savannah North

Area	Details	Units	Dec Qtr 2022	Sep Qtr 2022	Variance
Mining	Jumbo development	m	1,142	1,304	-12%
	Ore mined	dmt	178,239	151,045	18%
	Ni grade	%	1.07	1.08	-1%
	Ni Metal contained	t	1,902	1,636	16%
	Cu grade	%	0.51	0.57	-10%
	Co grade	%	0.07	0.06	11%

Processing and Concentrate Production

Since the restart, record tonnes of ore milled and concentrate production were achieved during the quarter. Ore processed was 176,888t which is a 15% improvement on the previous quarter and concentrate production was 20,274dmt a 13% improvement on the previous quarter.

Nickel recovery achieved 80.82% for the quarter which was also the highest since the restart of operations. Copper and cobalt recoveries were in line with the respective grades processed.

During the quarter the operation has seen a consistent level of labour deployed through our primary contractor Primero and has been less reliant on the use of sub-contractors. The improved stability of the processing and maintenance workforce has resulted in more consistent and reliable running of the plant. There was one planned shut for maintenance during the quarter (November) which was limited to five days.

Table 2: Processing physicals achieved at Savannah and Savannah North

Area	Details	Units	Dec Qtr 2022	Sep Qtr 2022	Variance
Milling	Ore milled	dmt	176,888	154,196	15%
	Ni grade	%	1.07	1.08	-1%
	Cu grade	%	0.50	0.56	-11%
	Co grade	%	0.07	0.07	3%
	Ni recovery	%	80.82	79.98	1%
	Cu recovery	%	93.23	93.80	-1%
	Co recovery	%	88.06	85.80	3%
Concentrate Production	Concentrate	dmt	20,274	18,010	13%
	Ni grade	%	7.52	7.39	2%
	Ni Metal contained	t	1,524	1,332	14%
	Cu grade	%	4.09	4.54	-10%
	Cu Metal contained	t	830	817	2%
	Co grade	%	0.52	0.48	7%
	Co Metal contained	t	105	87	21%
Concentrate Shipments	Concentrate	dmt	23,801	16,135	48%
	Ni grade	%	7.37	7.25	2%
	Ni Metal contained	t	1,755	1,170	50%
	Cu grade	%	4.18	4.17	0%
	Cu Metal contained	t	996	672	48%
	Co grade	%	0.54	0.47	13%
	Co Metal contained	t	128	77	67%

Port Operations and Shipments

Three shipments of nickel-copper-cobalt concentrate were completed during the quarter for a total of 23,801dmt of concentrate shipped.

On 9 October the Heemskerkgracht departed Wyndham Port with 9,466wmt and on 30 November the Babuza Wisdom departed Wyndham Port with 9,081wmt. The final shipment for the quarter was the Maasgracht which departed Wyndham Port on 19 December with 7,361wmt.

At the end of the quarter produced / unsold concentrate on hand at the port and mine site totaled 3,507wmt.

Costs

Table 3: Cost outcomes achieved during the December quarter 2022

		Units	Dec Qtr 2022	Sep Qtr 2022	Change Qtr on Qtr	Total H1
Unit Costs	C1	A\$/lb	11.81	11.92	-1%	11.86
	AISC	A\$/lb	13.71	13.80	-1%	13.75
	AIC	A\$/lb	16.06	17.89	-10%	16.91

Total site expenditure for the quarter net of by-product credits was \$42.4 million.

Savannah operating C1 expenditure (cash basis net of by-product credits) for the quarter was \$31.2 million, which results in a C1 cash cost per pound of payable nickel of \$11.81/lb.

Costs were impacted during the quarter by the ongoing effects of elevated pricing for diesel, freight (land and sea) and labour. Price escalation has also impacted the cost of some major consumable items in the processing area of the operation.

In December as planned, higher costs were incurred for mine ventilation and cooling following the commencement of the wet season.

By-product credits compared to forecast were down 19% (A\$0.81/lb) during the quarter as a result of lower realised copper and cobalt prices.

Unit costs also reflect the continuation of ramp-up activities towards design production volumes within the underground mine and processing plant.

Expenditure on sustaining capital inclusive of plant and equipment and mine development totaled \$5.0 million, which results in a AISC unit cost per pound of payable nickel of \$13.71/lb.

Growth expenditure and in-mine exploration costs were \$6.2 million which results in an AIC unit cost per pound of payable nickel of \$16.06/lb.

FY23 Guidance Update

Production and cost guidance

The ramp-up of operations at the Savannah Mine continues with progress on track to achieve steady state production in FY24. Full year production guidance remains unchanged, albeit the Company anticipates achieving production towards the lower end of guidance.

Full year C1 cost guidance has been modified to reflect the impact of ongoing cost inflation across fuel, freight, labour and consumable inputs. It also incorporates lower by-product metal prices and the expected production outcome noted above.

Lower AISC guidance is largely driven by the removal of a jumbo at Savannah North based on underground development at Savannah North being ahead of schedule.

AIC includes new capital expenditure for the Savannah Extension project which was not previously included in guidance. Bringing forward this capital follows recent exploration success at Savannah and will further de-risk operations with the opening of new mining fronts in the operation.

Table 4: FY23 Guidance Production and Cost

Metric	Guidance / Assumption
Nickel in concentrate production	6,600 – 7,100t
Copper in concentrate production	4,100 – 4,500t
Cobalt in concentrate production	400 – 500t
C1 cost per pound of payable nickel (Site)	A\$11.00 - A\$11.50/lb
AISC (Site)	A\$16 – A\$20 million
AIC (Site)	A\$23 – A\$27 million

By-product credit pricing for the period January to June 2023 assumes a copper price of US\$9,000/t and a cobalt price of US\$39,000/t at a AUD:USD exchange rate of \$0.70.

The FY23 guidance contains assumptions for future commodity prices, exchange rates, costs and mine scheduling. Achievement of guidance is dependent on the ramp up plan at Savannah North being executed as planned. Unit cash costs will continue to vary quarter on quarter and will be influenced by the relative proportions of nickel coming from ore development and stope production, with these variations reducing as the ramp up progresses towards nameplate capacity by the end of FY23. The guidance range provided reflects a forecast average for the year. Performance is generally expected to improve each quarter as the Savannah Operation ramps up to full capacity.

C1 Costs – Includes operating cash costs that are directly incurred in producing concentrate and includes grade control drilling, road haulage, port, shipping, royalties and by-product credits net of treatment charges.

AISC (Site) Sustaining Capital and Mine Development – The productive benefits of this capital expenditure are realised over the following 12 months and includes sustaining mine development expenditure which is carried out in both Savannah and Savannah North during the year.

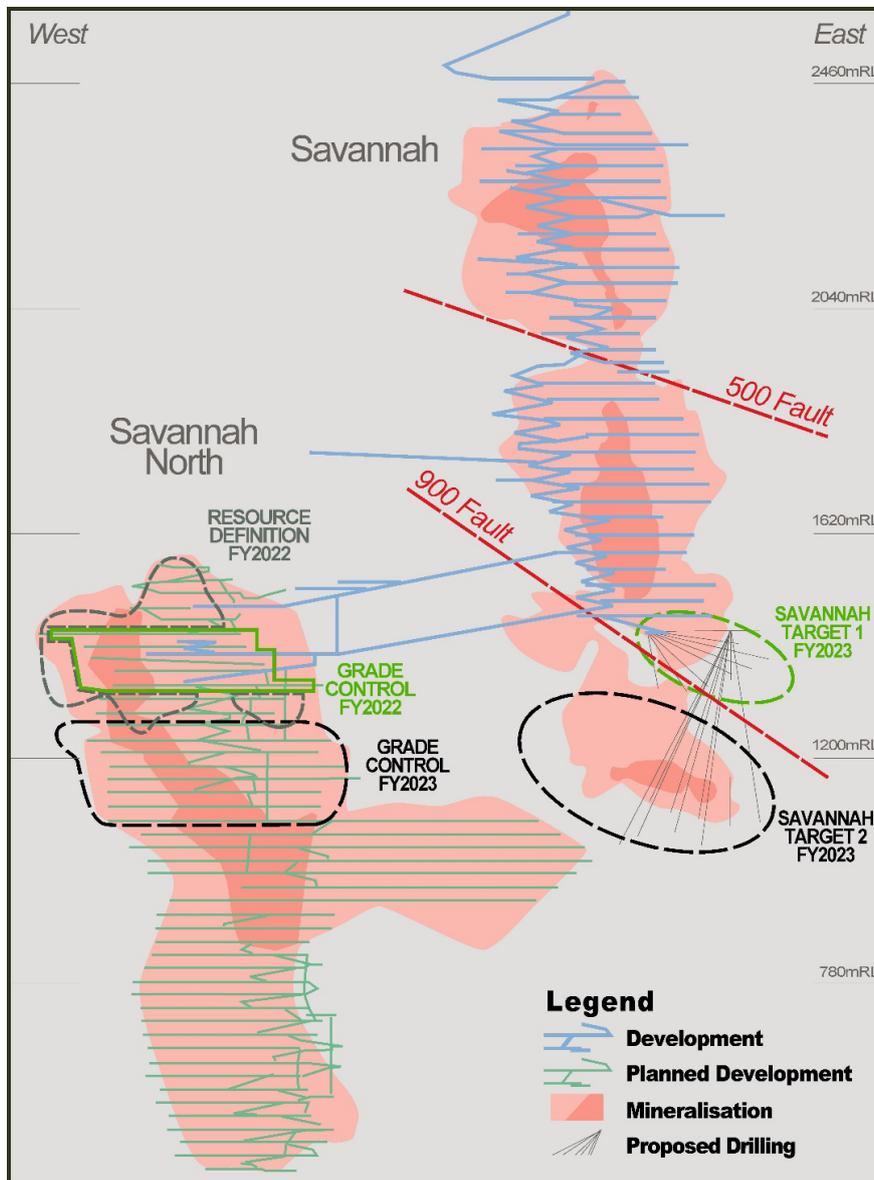
AIC (Site) Growth Expenditure – Includes investment / startup / improvement expenditure where the productive benefits are derived over a period exceeding 12 months and includes advance lateral development expenditure where production in the developed area commences in a period exceeding 12 months. This expenditure also includes resource definition drilling carried out at both Savannah and Savannah North.

Exploration – Savannah Mine

Grade control drilling at Savannah North

Drilling in the December quarter focused on grade control conducted primarily from the dedicated diamond drill platform on the 1321 level targeting the Resource between the 1340 to 1280 levels (Figure C). Some minor infill drilling was also completed on the 1400 level. Good ground conditions allowed for high meterage rates. A total of 49 drill holes for 6,022m was completed.

Figure C: Schematic of drilling areas at Savannah and Savannah North in the FY22 and FY23



Resource Definition Drilling at Savannah

The first phase of infill underground Resource definition drilling at Savannah above the 900 Fault was completed during the previous quarter. This phase of the program tested the Savannah orebody above the 900 Fault and was undertaken from the 1425 level drill drive providing much improved drill angles to evaluate the Savannah orebody in this area (Savannah Target 1 - Figure C).

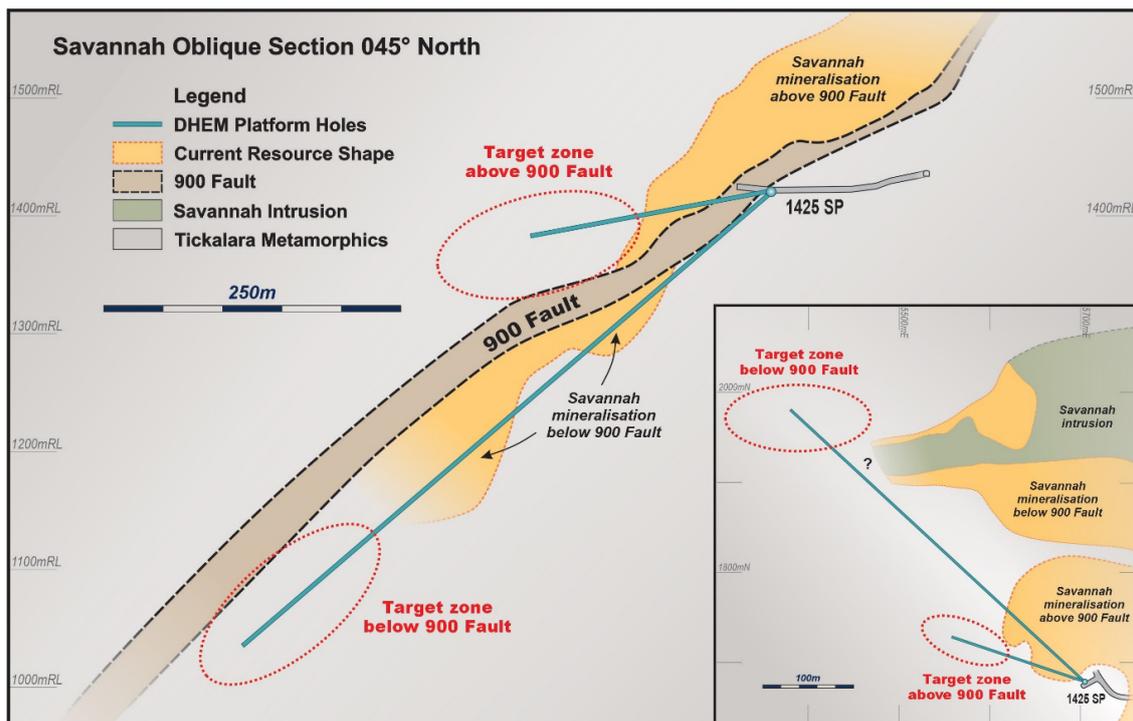
During the December quarter, focus was on data modelling and improving the mineralisation and lithological interpretation in preparation for the next Savannah orebody Mineral Resource Estimate (MRE). Initial modelling suggests an increase of the mineralised width of the orebody and is likely to result in an increase to the MRE which, once converted into an Ore Reserve, will support the development of a second mining front to supplement mining operations at Savannah North. The finalisation of the MRE is expected to be completed in the March quarter with Cube Consulting engaged to complete the resource estimation.

Savannah Extension Drilling

Planned drilling for the March quarter will continue to infill the Savannah North Resource with an ongoing grade control drill program from the 1321 drill drive. Following the grade control program, the drilling focus will return to Savannah and commence drilling the Savannah Extension below the 900 Fault (Savannah Target 2 - Figure D).

The Savannah Extension continues below the 900 Fault and requires further infill and down plunge testing, particularly to the west. The western margins of the Savannah Extension have not been adequately tested and to this measure two diamond drill holes have been planned for down-hole electromagnetic (DHEM) surveying (Figure D).

Figure D: Cross section and plan of the proposed DHEM platform holes proximal to the Savannah Extension



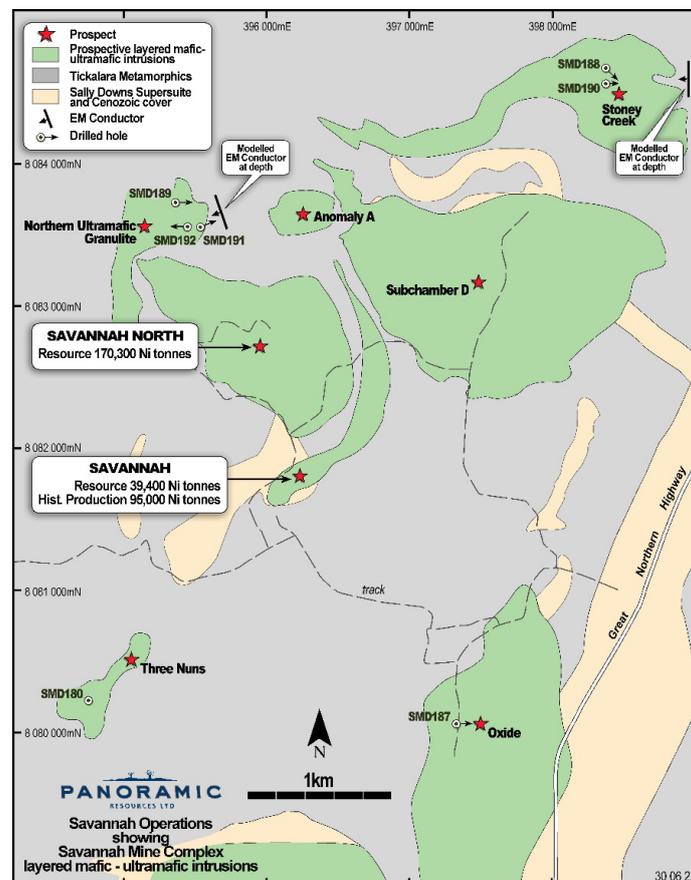
The upper DHEM platform hole plans to test the down plunge extension of mineralisation and to the west of the known mineralisation above the 900 Fault. The lower DHEM platform hole has been designed to test the western margin where previous drilling attempts have been unable to adequately test the area due to undesirable (sub-parallel) drilling angles. The DHEM platform holes will give confidence to continue drilling and developing a dedicated drill drive, further exploring the western margins of the Savannah Extension above and below the 900 Fault.

Exploration – Surface

Surface Exploration at Savannah

The wet season commenced during the quarter and no surface drilling was planned or conducted during the period. Follow-up DHEM in holes SMD190 in the Stoney Creek Intrusion and SMD191 and SMD192 in the Northern Ultramafic Granulite Intrusion are planned for 2023 (Figure E). All three holes have been cased in preparation for DHEM and will be surveyed in combination with the underground holes through the Savannah Extension when DHEM crews arrive at Savannah.

Figure E: Ultramafic intrusions of the Savannah Intrusive Complex showing areas to be DHEM surveyed in 2023

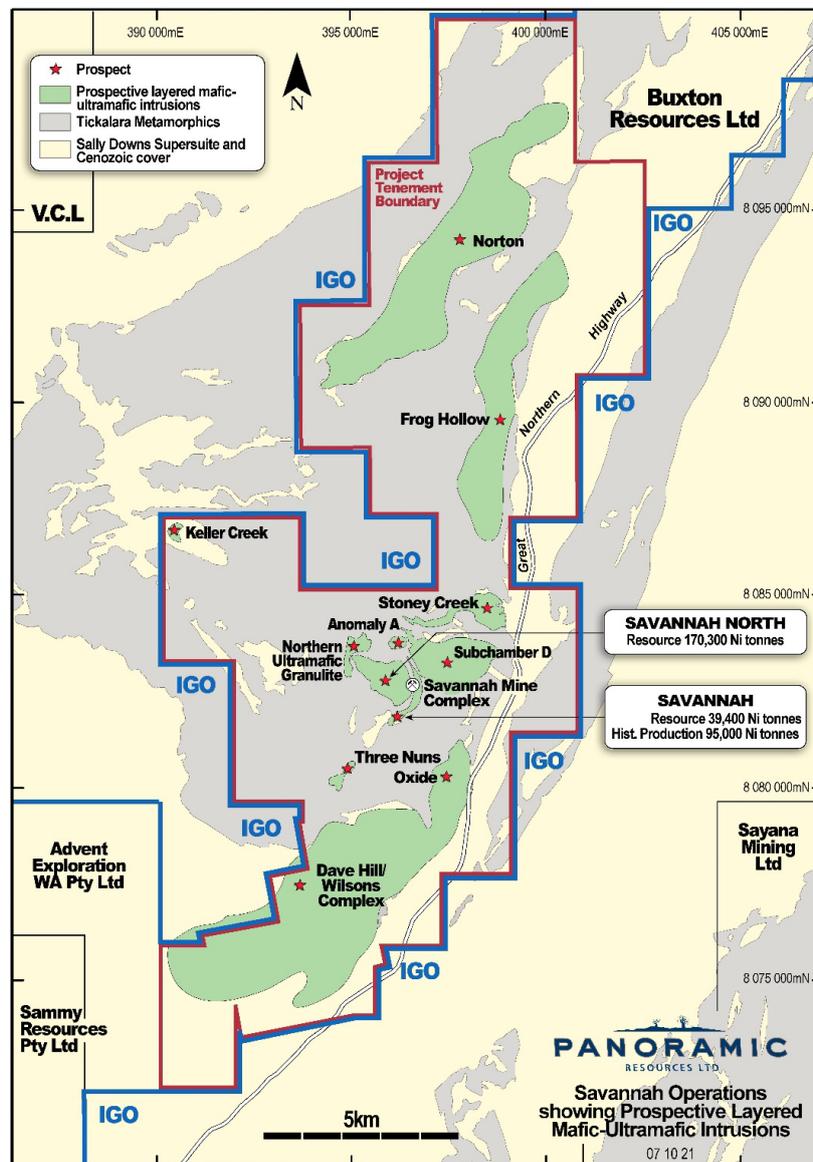


Heritage Survey Planned for the Norton Intrusion

The Company is planning exploration of the Norton Intrusion in the northern area of Panoramic's tenure (Figure F). The Norton intrusion is situated in the Heritage areas of the Baula-Wah and Yurriyangem Taam groups within Violet Valley Aboriginal Reserve 13944. Following approval from the respective Heritage groups, as well as ministerial and environmental bodies, the Company plans to commence exploration over the Norton intrusion in 2023.

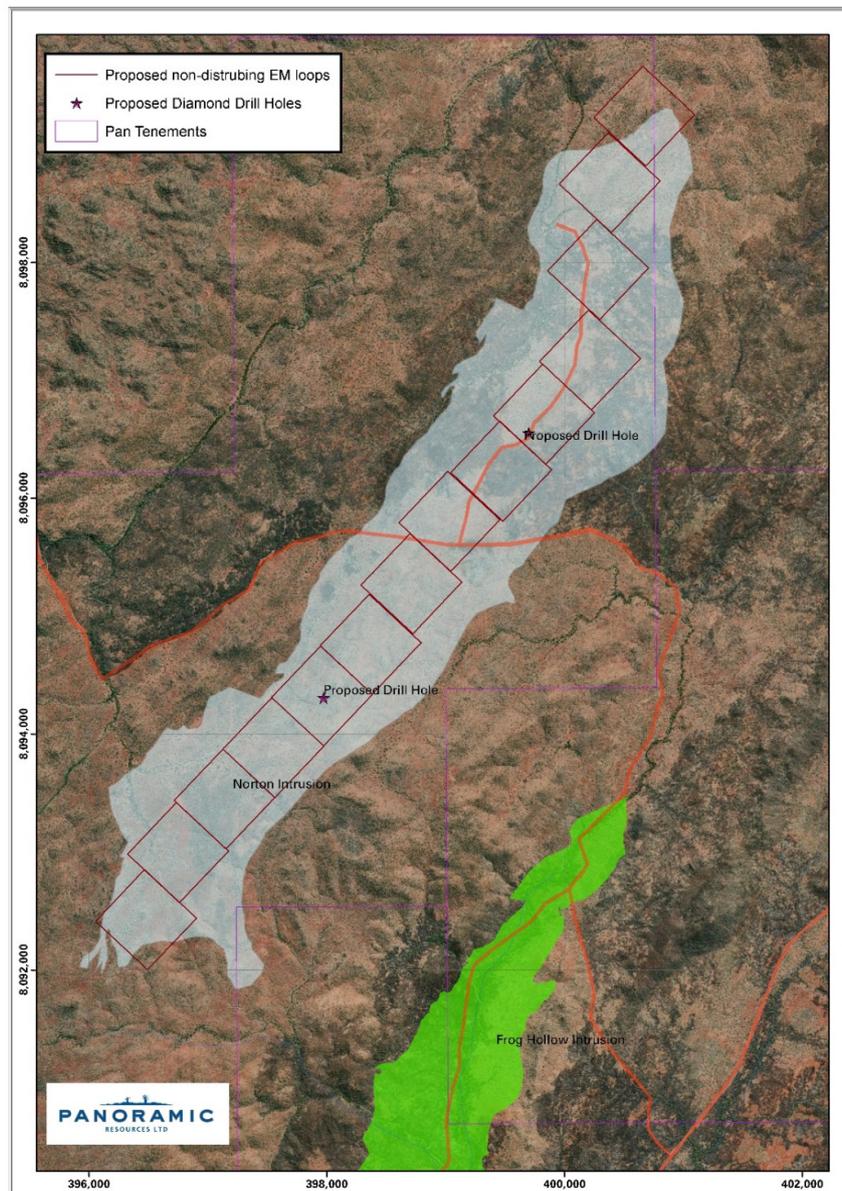
The first Heritage Survey over the Nortons intrusion was scheduled for 30 November 2022 however a large weather event forced postponed until the first quarter of 2023 when weather permits return access to the site.

Figure F: Panoramic tenure over the Savannah mine in the eastern Kimberley



The Norton Intrusion is located 15km north of Savannah within E80/5238 and is potentially prospective for magmatic nickel sulphide mineralisation, similar to the Savannah and Savannah North deposits. Exploration over the Norton intrusion has been limited to surface mapping and selective rock sampling, however the Norton intrusion has never been drill tested. Panoramic plans to conduct a series of moving-loop electromagnetic surveys (MLEM) in preparation for diamond drilling (Figure G). Diamond drill holes have been planned to drill through and test the base of the intrusion and to be used as platform holes for follow-up DHEM surveying.

Figure G: Plan showing the proposed drill hole locations and MLEM loops overlain on the grey shaded position of the Norton intrusion



Corporate

Concentrate Revenue

Revenue / cash flow was received in the quarter from the Company's offtake partner Jinchuan totaling US\$40.63 million (A\$61.85 million) following the issue of provisional invoices covering 23,801dmt of concentrate containing 1,755t of contained nickel.

Three shipments from previous quarters were finalised in the period resulting in an unfavorable QP cash outflow adjustment (net of hedges settled in the December quarter) of US\$2.98 million (A\$4.64 million). The QP adjustment is higher as one shipment's offsetting QP hedge gain (cash inflow) was received in the previous quarter totaling US\$2.18 million (A\$3.25 million).

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

Hedging

During the quarter, the Company executed US dollar forward hedge contracts for 1,099t of nickel metal achieving an average price of US\$26,179/t. This hedging protects a portion of the nickel revenue received from the provisional sale of concentrate in the quarter.

Hedges totaling 803t of nickel were settled in the quarter at an average price of US\$22,443/t.

Outstanding hedges at 31 December 2022 total 1,339t and represent 60% of the contained metal in shipments that have not been finalised. The average price achieved for this hedging is US\$25,575/t.

The following table shows the delivery profile for unsettled hedges as at 31 December 2022.

Nickel hedging	Units	Jan 2023	Feb 2023	Mar 2023	April 2023
Volume	t	470	440	369	60
Settlement price	US/t	22,355	26,354	27,993	30,212

At the end of the quarter there were no other hedges in place.

Subsequent to the end of the quarter a further 340t of nickel has been hedged at US\$28,273/t, for settlement in April 2023.

Trafigura Finance Facility

During the quarter, the Company secured a nine-month extension of the Revolving Credit Facility (RCF) availability period from 24 March 2023 to 31 December 2023 (ASX announcement 19 October 2022). The full US\$15.0 million facility limit will be available through to 31 December 2023. Other than documenting the base interest rate transition from LIBOR to its replacement SOFR, all other conditions and pricing within the RCF agreement have not changed.

During the quarter the Company made three scheduled debt repayments to the Prepayment Loan Facility (PLF) totaling US\$1.35 million. Debt repayments since initial drawdown total US\$2.25 million.

Total drawn debt (PLF and RCF) at 31 December is US\$42.75 million.

Group Cash

Group cash as at 31 December totaled A\$27.4 million.

The movement in the cash position during the quarter included the following key items:

Inflows

- Receipts totalling A\$47.7 million (US\$32.0 million) from the sale of nickel in concentrate net of hedge settlements and QP adjustments for nickel only.
- A\$1.6 million deferred final instalment payment received from the sale of the Thunder Bay North Project.

Outflows

- A\$30.5 million Savannah operating expenditure including sea freight, royalties and by-product credits inclusive of QP adjustments (copper and cobalt only).
- A\$5.4 million Savannah sustaining capital expenditure and mine development.
- A\$6.9 million Savannah growth expenditure and on-mine exploration.
- A\$1.5 million corporate, regional exploration, and other working capital expenditure.
- A\$2.7 million debt service inclusive of interest and scheduled debt repayments.



Competent Person

The information in this release that relates to Exploration Drilling at Savannah is based on information compiled by Andrew Shaw-Stuart. Andrew Shaw-Stuart is a member of the Australian Institute of Geoscientists (AIG) and is a full-time employee of Panoramic Resources Limited.

The aforementioned has sufficient experience that is relevant to the style of mineralisation and type of target/deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Shaw-Stuart consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

About Panoramic:

Panoramic Resources Limited (ASX: PAN) is a company headquartered in Perth, Western Australia, which owns the Savannah Nickel Project in the East Kimberley. Operations at Savannah were restarted in 2021 and the project was successfully recommissioned with first concentrate shipment achieved in December 2021. Savannah has a 12-year mine life with clear potential to further extend this through ongoing exploration. The asset provides excellent leverage to the nickel, copper and cobalt markets which are heavily linked to global decarbonisation and vehicle electrification.

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 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 as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes 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 on behalf of the Panoramic Board by: Victor Rajasooriar, Managing Director & CEO

For further information contact:

Victor Rajasooriar, Managing Director & CEO

+61 8 6266 8600

Media inquiries:

Michael Vaughan, Fivemark Partners

+61 422 602 720