

27 October 2022

## Quarterly Activities Report for the period ending 30 September 2022

### Summary

#### SAVANNAH NICKEL OPERATIONS

- Mining and processing operations at Savannah continue to ramp up safely following restart.
  - Ore mined increased 29% quarter-on-quarter to 151,045t.
  - Ore milled rose by 22% to 154,196t.
  - Concentrate production up 28% to 18,010t with:
    - Contained nickel production up 32% to 1,331t nickel
    - Contained copper production up 49% to 817t copper
    - Contained cobalt production up 22% to 87t cobalt
- Two shipments of nickel-copper-cobalt concentrate completed during the quarter:
  - An additional ship departed Wyndham Port on 9 October 2022 carrying 9,466t of concentrate
  - A ship for mid-November and mid-December has been booked
- Production and cost guidance for FY23 of 6,600 – 7,100t of nickel, 4,100 – 4,500t copper and 400 – 500t cobalt in concentrate at a C1 cost of \$7.30 – \$8.30/t of payable nickel production (including by-products) remains unchanged.

#### SAVANNAH NICKEL EXPLORATION

- Increase in the Ore Reserve for Savannah North with contained nickel increasing by 4%, contained copper increasing by 7% and contained cobalt increasing by 6% after mining depletion in FY22.
- Infill resource definition drill program on Savannah orebody above the 900 Fault completed:
  - Thick mineralised intersections returned which are expected to add to the Mineral Resource of 21,000t of nickel, 14,200t of copper and 1,000t of cobalt in this area
- Resource infill and extension drilling below the 900 Fault at Savannah commenced.

#### CORPORATE

- Cash at the end of the quarter of A\$25.1M, up from A\$22.0M at the end of the previous quarter.
- Drawdown of the US\$15.0 million Revolving Credit Loan Facility (RCF) in August 2022 to manage cashflow following a delay in the timing of the August concentrate shipment.

- Post quarter end, US\$15.0M RCF availability period extended nine months to 31 December 2023, all documentation executed with Trafigura Pte Ltd in October 2022.
- Release of the 2022 Sustainability Report outlining Panoramic's commitment to minimise its environmental impact and support local communities through its activities.

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 concentrate production in the quarter. We replaced mining depletion in our updated Ore Reserve for Savannah North and expect to further grow our Resource following drilling success at the Savannah deposit. Our business is in good shape and we look forward to delivering on our ramp-up plan with improved production into the 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 4.1 at the end of the quarter from 4.5 at the end of the June quarter.

There was one recordable injury on site in the quarter. A surface light vehicle fitter tripped at ground level when climbing down from the cab of a loader and landed on their wrist, resulting in a fracture.

With the onset of the wet season, there has been a significant focus on dehydration and the management of heat in the workplace. Additional hydration testing of crews has been introduced as well as regular education sessions in safety meetings.

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.

The Emergency Response Team continues to improve with several of the members attaining their Certificate III in Mine Emergency Response and new members joining the team regularly.

### Environment

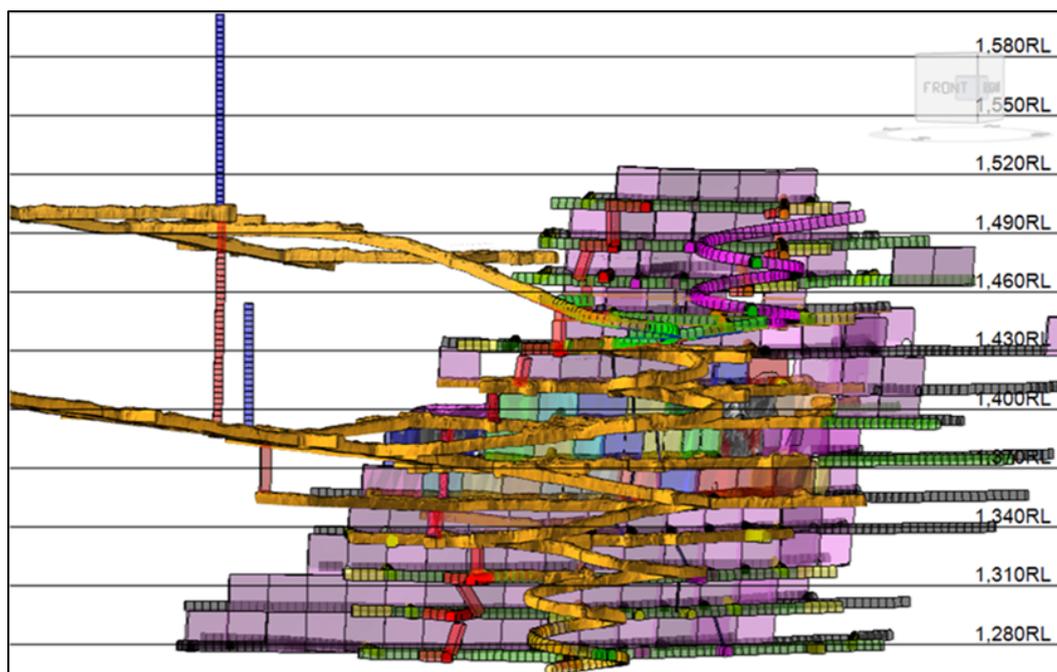
During the quarter, the mining operations maintained compliance with all regulatory and operating licence requirements.

Operationally, final commissioning of the refurbished Water Storage Facility (WSF3) settling ponds has been completed. This will facilitate the recycling of all underground return water, reducing the volume of water reporting to the TSF and in turn, reducing net seepage from the project.

## Underground Mining

Underground mining took a meaningful step forward in the quarter with a 29% increase in ore mined to 151,045t in the period. Development achieved during the quarter was 1,304m which is an improvement on previous quarters. Development in the Savannah North orebody has a current vertical exposure of 7 levels which equates to approximately 140 vertical metres, providing the necessary production horizons to support the ongoing ramp-up of production in the coming quarters.

Figure A: Long Section of Savannah North

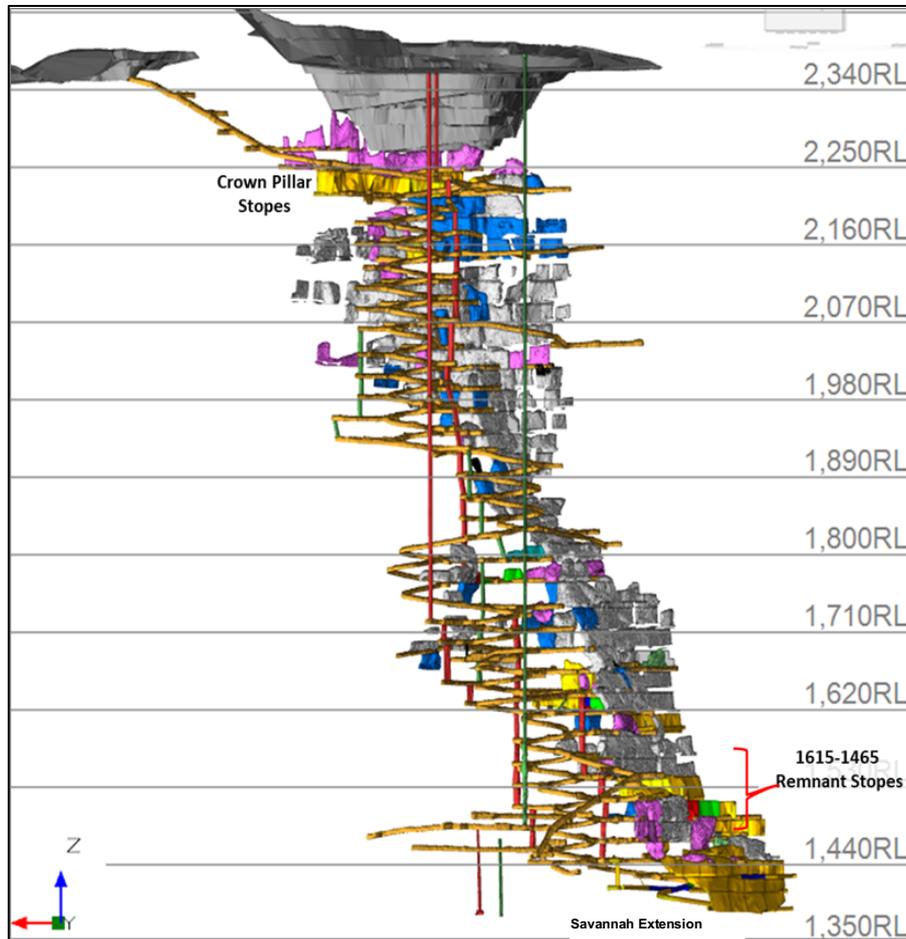


The improved performance during the quarter is a function of the mine opening up in Savannah North, with three active production stopes over three levels. Stope production has been supported with consistent application of paste fill with more than 4,000m<sup>3</sup> of paste poured during the quarter.

There was a problem with the second stope on the 1361 level bridging, which resulted in a two week delay of production ore during the quarter. The remedial works extended into October and has now come back online with production underway. This disruption will have minimal impact on the overall stoping sequence in Savannah North.

Development in the Savannah orebody predominately focused on remnant mining areas, but has also progressed towards accessing the resources below the historical workings at Savannah (Savannah Extension), targeting fresh ore. Development focused on pushing the decline further and first ore from development below the historical workings at Savannah is expected in the second quarter of FY23.

**Figure B: Long Section of Savannah**



The operational and technical experience of the underground mining teams at Savannah continues to build which is resulting in more sustained and consistent performance being achieved. This has been supported by the reduced impact of absenteeism through COVID-19 and the previous border closures. The current contractor workforce is sitting at 100% of budgeted expectations and technical services are at 95% with two technical roles currently vacant and a recruitment process well underway.

**Table 1: Mining physicals achieved at Savannah**

Area	Details	Units	Sep Qtr 2022	Jun Qtr 2022	Change	FY2023 YTD
Mining	Jumbo development	m	1,304	1,255	4%	1,304
	Ore mined	dmt	151,045	117,403	29%	151,045
	Ni grade	%	1.08	1.06	2%	1.08
	Ni Metal contained	dmt	1,636	1,242	32%	1,636
	Cu grade	%	0.57	0.47	22%	0.57
	Co grade	%	0.06	0.07	-14%	0.06

## Processing and Concentrate Production

Record tonnes of ore milled and concentrate production were achieved during the quarter, supported by the improved production rates from the underground mine. Concentrate production was 18,010t in the quarter.

Recovery of nickel, copper and cobalt during the quarter was all at its highest level since the restart of operations. This is due to the success of ongoing optimisation work of the plant control system and a resulting improvement in stability of the plant.

The operation has continued to increase manning levels both through our primary contractor Primero and the use of sub-contractors, particularly in maintenance areas to compensate for the skills shortage being experienced in the industry. There were significant planned and opportune maintenance works carried out during quarter. These works were associated with the power station, structural refurbishment including a complete replacement of the float feed conditioner tank and mill relines to support the ramp-up phase of the operation.

**Table 2: Processing physicals achieved at Savannah**

Area	Details	Units	Sep Qtr 2022	Jun Qtr 2022	Change	FY2023 YTD
Milling	Ore milled	dmt	154,196	126,561	22%	154,196
	Ni grade	%	1.08	1.05	3%	1.08
	Cu grade	%	0.56	0.48	18%	0.56
	Co grade	%	0.07	0.07	-4%	0.07
	Ni recovery	%	79.98	76.12	5%	79.98
	Cu recovery	%	93.80	90.16	4%	93.80
	Co recovery	%	85.80	82.34	4%	85.80
Concentrate Production	Concentrate	dmt	18,010	14,079	28%	18,010
	Ni grade	%	7.39	7.16	3%	7.39
	Ni Metal contained	dmt	1,331	1,009	32%	1,331
	Cu grade	%	4.54	3.89	17%	4.54
	Cu Metal contained	dmt	817	547	49%	817
	Co grade	%	0.48	0.51	-5%	0.48
	Co Metal contained	dmt	87	71	22%	87
Concentrate Shipments	Concentrate	dmt	16,135	9,477	70%	16,135
	Ni grade	%	7.25	7.46	-3%	7.25
	Ni Metal contained	dmt	1,170	712	64%	1,170
	Cu grade	%	4.17	4.21	-1%	4.17
	Cu Metal contained	dmt	672	408	65%	672
	Co grade	%	0.47	0.48	-2%	0.47
	Co Metal contained	dmt	77	46	67%	77

## Port Operations and Shipments

At the start of July, the MV Heemskerkgracht departed Wyndham Port with a total cargo of 7,030wmt of nickel-copper-cobalt concentrate. The MV Muntgracht, departed at the end of August with 10,902wmt.

At the end of the quarter there was 7,187wmt of concentrate stocks at the port and 117wmt of concentrate stocks at the mine site.

Post the quarter, the MV Heemskerkgracht departed Wyndham on 9 October 2022, carrying 9,466wmt of nickel-copper-cobalt concentrate.

Two additional ships have been booked for mid-November and mid-December, with a total of three shipments planned for the December quarter.

## Costs

Unit Costs	Details	Units	Sep Qtr 2022	Jun Qtr 2022	Change	FY2023 YTD
	C1	A\$/lb	11.92	14.02	-15%	11.92
<b>Unit Costs</b>	AISC	A\$/lb	13.80	17.63	-22%	13.80
	AIC	A\$/lb	17.89	22.35	-20%	17.89

Total site expenditure for the quarter net of by-product credits was \$41.1M.

Savannah operating C1 expenditure (cash basis net of by-product credits) for the quarter was \$27.4M, which results in a C1 cash cost per pound of payable nickel of \$11.92/lb.

Costs were impacted during the quarter by the ongoing effects of elevated diesel, sea freight and labor costs. Additional costs were also incurred from planned and opportune maintenance works carried out on surface infrastructure. Unit costs reflect the continuation of ramp-up activities within the underground mine and processing plant.

Expenditure on sustaining capital inclusive of plant & equipment and mine development totaled \$4.3M, which results in a AISC unit cost per pound of payable nickel of \$13.80/lb.

Growth expenditure and in-mine exploration costs were \$9.4M which results in an AIC unit cost per pound of payable nickel of \$17.89/lb.

## Exploration – Savannah Mine

### Mineral Resource and Ore Reserve Update

An updated Mineral Resource Estimate (**MRE**) and Ore Reserve for the Savannah North deposit was completed during the quarter.

The MRE for the Savannah Nickel Project is 13.88 million tonnes grading 1.52% Ni, 0.69% Cu and 0.10% Co for a total contained metal in Resource of 211,200t Ni, 95,300t Cu and 13,900t Co (Table 3). The MRE is current as of 1 July 2022. All MREs for the Project are reported to 2012 JORC standards and at a cut-off grade of 0.50% Ni. Details regarding the preparation of the MRE and associated 2012 JORC reporting requirements are included in the ASX announcement dated 29 September 2022. The MRE summarised in Table 3 forms the basis of the Ore Reserve for the Savannah Nickel Operation.

**Table 3: Savannah Project MRE**

Resource	Metal	Resource Date	Measured		Indicated		Inferred		Total		Metal Tonnes
			Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah Above 900F	Nickel	Apr-20	900,000	1.37	498,000	1.73	0	0.00	1,399,000	1.50	21,000
	Copper			0.77		1.46		0.00		1.02	14,200
	Cobalt			0.07		0.08		0.00		0.07	1,000
Savannah Below 900F	Nickel	Jun-15	0	0.00	780,000	1.64	125,000	1.72	905,000	1.65	14,900
	Copper			0.00		0.76		0.75		0.76	6,900
	Cobalt			0.00		0.09		0.09		0.09	900
Savannah North	Nickel	Jun-22	1,998,000	1.41	5,540,000	1.67	4,034,000	1.36	11,573,000	1.52	175,300
	Copper			0.59		0.75		0.52		0.64	74,200
	Cobalt			0.10		0.12		0.08		0.10	12,000
Total Savannah Project	Nickel		2,898,000	1.40	6,818,000	1.67	4,159,000	1.37	13,876,000	1.52	211,200
	Copper			0.65		0.80		0.53		0.69	95,300
	Cobalt			0.09		0.12		0.08		0.10	13,900

*\*Mineral Resource estimates have been rounded to the nearest 1,000t, 0.01% Metal grade and 100t of metal*

The 1 July 2022 Savannah Nickel Project (including Savannah North) Ore Reserve stands at 8.7Mt grading 1.21% Ni, 0.58% Cu and 0.08% Co for total contained metal of 105,464t Ni, 50,074t Cu and 7,323t Co (Table 4). All key assumptions and modifying factors applied during preparation of the Ore Reserve and associated 2012 JORC reporting requirements are included in the ASX announcement dated 29 September 2022.

**Table 4: Savannah Nickel Project Ore Reserve**

Ore Reserve	Metal	Proved		Probable		Total		Metal Tonnes
		Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah	Nickel	970,000	0.94	0	0	970,000	0.94	9,100
	Copper		0.63		0		0.63	6,100
	Cobalt		0.05		0		0.05	400
Savannah North	Nickel	1,805,000	1.24	5,683,000	1.25	7,489,000	1.25	93,600
	Copper		0.54		0.59		0.57	43,300
	Cobalt		0.09		0.09		0.09	6,800
Total	Nickel	2,775,000	1.13	5,683,000	1.25	8,458,000	1.21	102,700
	Copper		0.57		0.59		0.58	49,400
	Cobalt		0.07		0.09		0.09	7,200

*\*Calculations have been rounded to the nearest 1,000t of ore, 0.01% Metal grade and 100t of metal*

The largely undeveloped Savannah North orebody at Savannah remains open along strike and at depth, providing significant potential to bring more material into the Mine Plan with future exploration and underground drilling to be carried out as mine development advances deeper into the Savannah North orebody.

The drilling focus at Savannah North for FY2023 will shift to below the 1250 RL. A dedicated drill platform in the 1321 central access drive has been developed and is well positioned to drill both the upper and lower mineralisation lenses between the 1250 and 900 RL.

At Savannah, the 1425 level and subsequent mine development in this area will provide much improved (near perpendicular to strike) drill angles to evaluate this part of the Savannah orebody. When completed this development is also ideally positioned to continue testing the orebody below the 900 Fault which currently contains a Mineral Resource of 14,900 nickel tonnes at an average grade of 1.65% nickel and open in all directions.

## **Resource Definition Drilling at Savannah**

The first phase of infill underground Resource definition drilling at Savannah was completed during the quarter. This phase of the program commenced in June 2022 and tested the Savannah orebody above the 900 Fault (Figure 1). The program was undertaken from the recently developed 1425 level drill drive providing much improved drill angles to evaluate the Savannah orebody in this area.

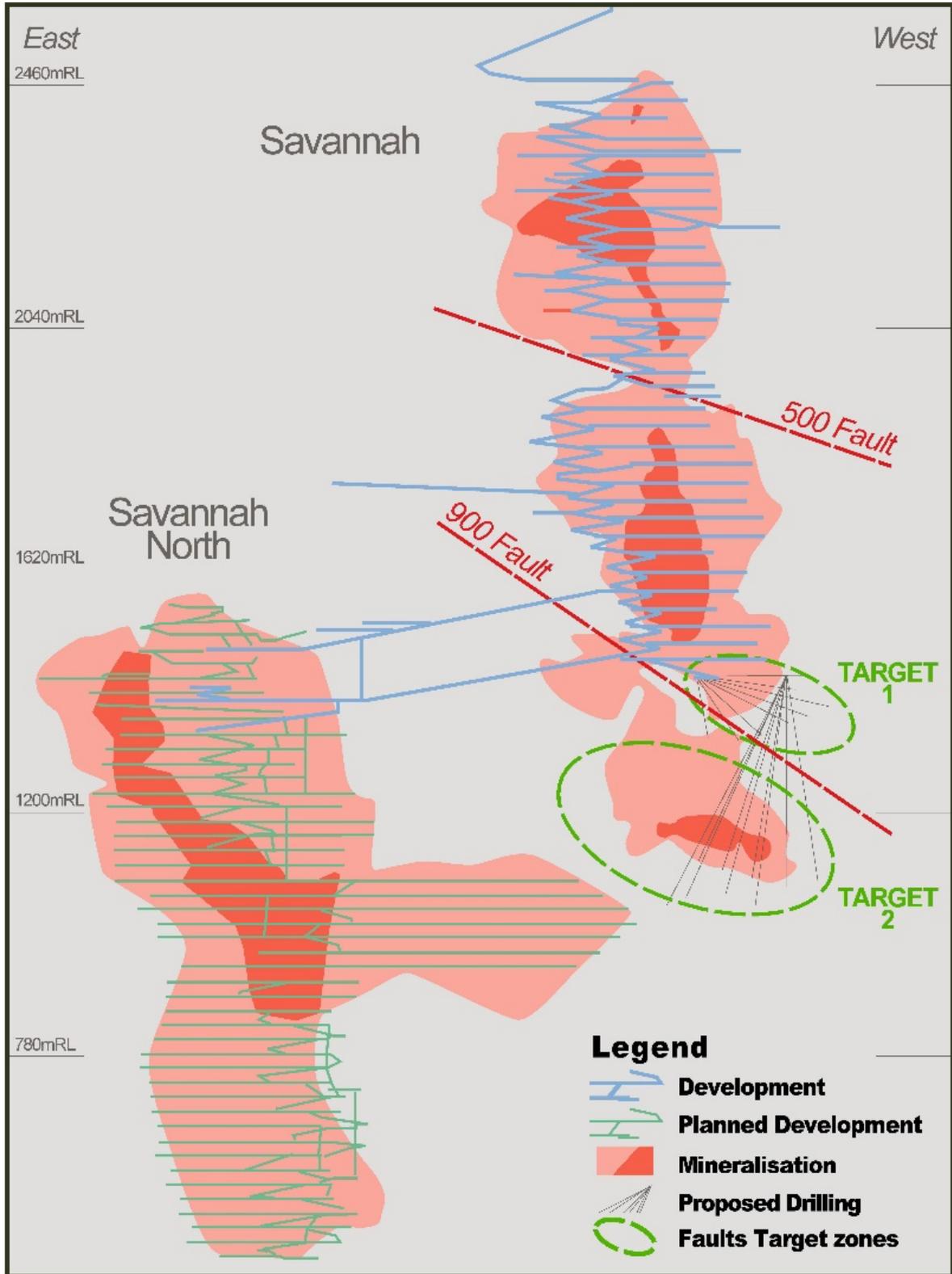
Results for the completed program above the 900 Fault are now being evaluated and modelled with the results to be incorporated in the next Savannah orebody MRE. In total, the program comprised of 33 drill holes for 4,291m.

Mineralisation thicknesses intersected throughout the area tested by the program completed above the 900 Fault were consistently better than predicted by the current Savannah resource model (Figures 2, 3 and 4). In addition, significant mineralised extensions along strike and down-plunge beyond the limits of the current Savannah resource model were also identified with the mineralisation remaining open down-plunge to west along the 900 Fault (Figure 5).

Better drill intercepts returned by the program include:

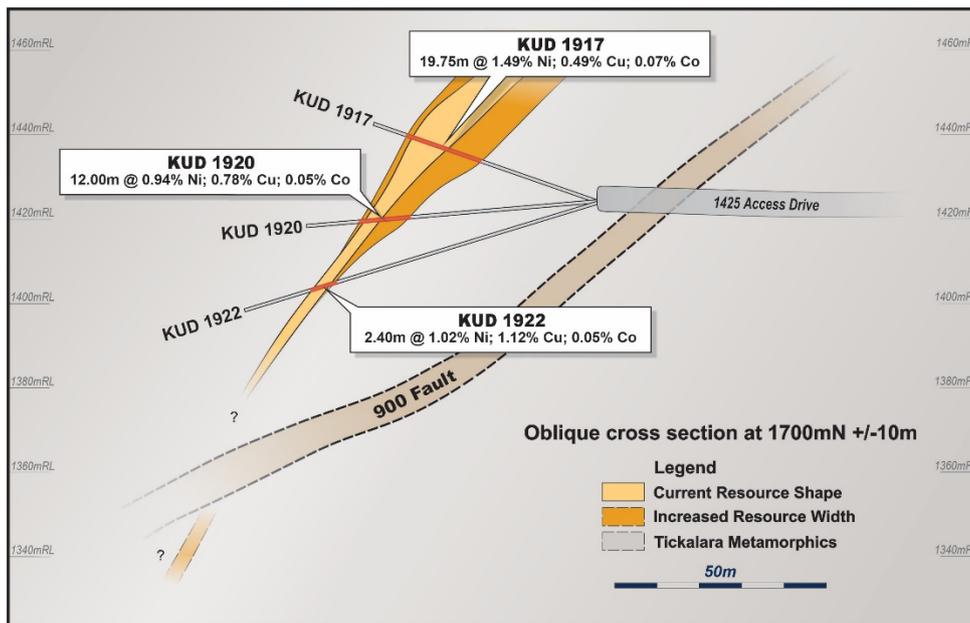
- 19.75m @ 1.49% Ni, 0.49% Cu and 0.07% Co in KUD1917
- 8.95m @ 2.36% Ni, 0.56% Cu and 0.11% Co in KUD1918A
- 10.25m @ 1.50% Ni, 0.18% Cu and 0.07% Co in KUD1919
- 9.10m @ 2.52% Ni, 1.10% Cu and 0.12% Co in KUD1923
- 9.00m @ 2.95% Ni, 0.62% Cu and 0.15% Co in KUD1943

Figure 1: Schematic of T1 target above the 900 Fault (subject of this announcement) and the future T2 target

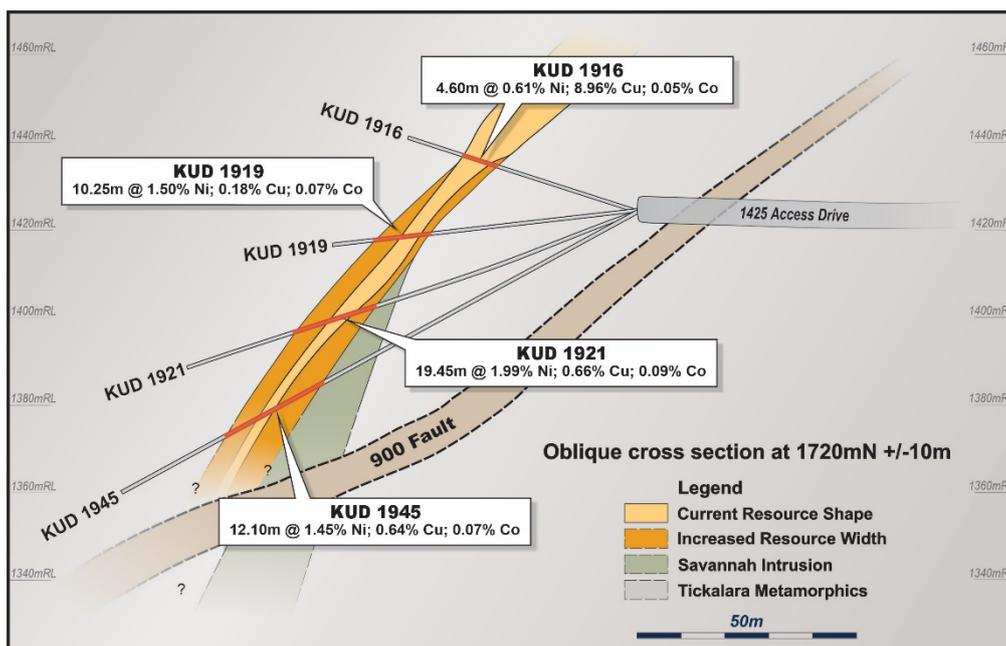


The drill results returned by the infill drill program above the 900 Fault are expected to have a significant positive impact on the readily accessible Mineral Resource in this area of the mine which, once converted into an Ore Reserve, will support the development of a second mining front to supplement mining operations at Savannah North.

**Figure 2: Oblique cross section at 1700mN showing current Resource shape and actual intersection**



**Figure 3: Oblique cross section at 1720mN showing current Resource shape and actual intersection**

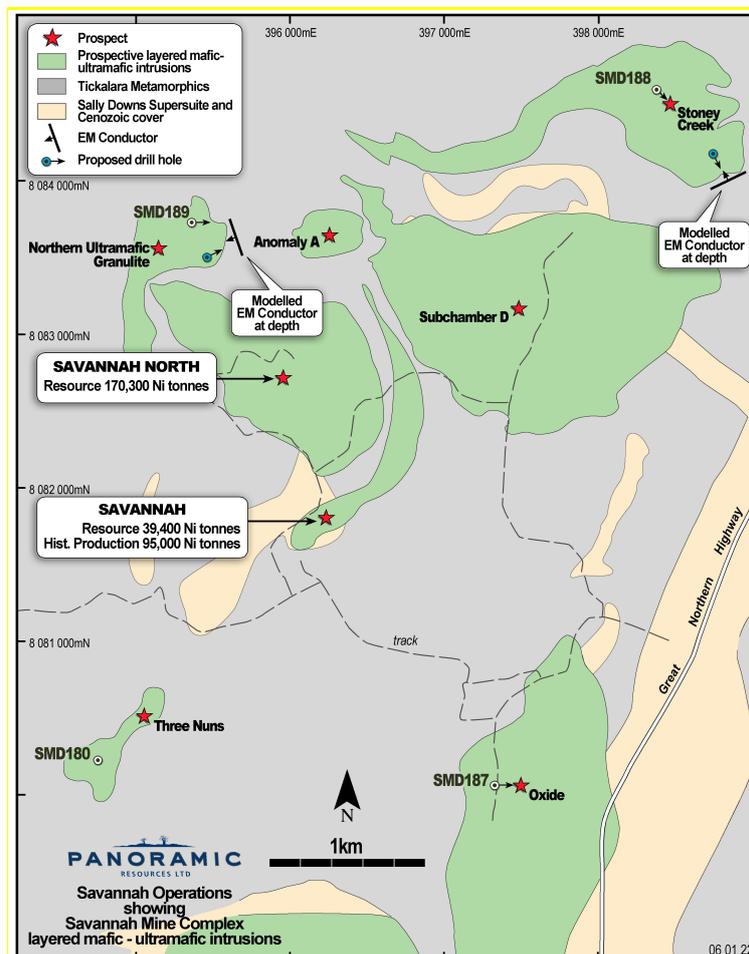


## Exploration – Surface

### Surface Drill Targets at Savannah

No surface drilling was conducted within the quarter however petrographic analysis and assay results were received from the surface drilling exploration program earlier in the year. The assay results confirmed the identification of ultramafic intrusive rocks at both the Stoney Creek and Northern ultramafic complexes (Figure 4). Assay results from drill holes SM190-192 confirm the presence and continuity of high MgO bearing rocks within the intrusive complexes that mirror rock chemistry within the Savannah and Savannah North intrusions. Further petrographic analysis complemented the assay results and further defined younger cross-cutting mafic granulites that also intersect the Savannah intrusive Complex. Following surface mapping in 2020-21, drilling in 2021-22, assay and petrographic analysis continue to define the intrusion morphology at depth. Exploration will continue to focus on the Stoney Creek Intrusion and the Northern Ultramafic Gabbro in the FY23 with SMD190-921 to act as platforms for down hole electromagnetic (DHEM) surveying to be conducted in the upcoming dry season.

**Figure 4: Ultramafic intrusions of the Savannah Intrusive Complex showing recent drilling and modelled EM conductors to be drilled in 2022.**



## Corporate

### Concentrate Revenue

Revenue / cash flow was received in the quarter from the Company's offtake partner Jinchuan totaling US\$24.9m (A\$37.0m) following the issue of provisional invoices covering 17,931wmt of concentrate containing 1,170t of contained nickel.

An unfavorable cash adjustment (outflow, net of QP hedge settlement) totaling US\$2.6M (A\$3.7M) was paid on final invoicing for a shipment from the June quarter following the completion of the quotation period. The provisional invoicing for this shipment occurred early in the June 2022 quarter at a time when nickel price was highly elevated and the market capacity to undertake hedging was low. As a result, the Company achieved 59% (contained Ni basis) hedge protection on this shipment.

A hedge gain totaling US\$2.2M (A\$3.2M) was received in September for another June quarter shipment that will complete final invoicing and a cash flow settlement in October.

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 923t of nickel metal achieving an average price of US\$22,459/t. This hedging protects a portion of the nickel revenue received from the provisional sale of concentrate in the quarter.

Hedges totaling 780t of nickel were settled in the quarter at an average price of US\$28,694/t.

Outstanding hedges at 30 September 2022 total 1,043t and represent 58% of the contained metal in shipments that have not been finalised. The average price achieved for this hedging is US\$22,527/t.

The following table shows the delivery profile for these hedges.

Nickel hedging	Units	Oct 2022	Nov 2022	Jan 2023
Volume	t	270	533	240
Settlement price	US/t	22,612	22,358	22,809

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

### Trafigura Finance Facility

A US\$15.0 million draw down was completed in late August from the Trafigura RCF. The funding was required to support the Company's working capital position following the unexpected delay to the timing of the planned August concentrate shipment. Funding from the RCF is held for a minimum period of three months where it can be fully or partially repaid or rolled over (on a cashless basis) for a further three month period. At 30 September, the RCF was fully drawn to US\$15.0 million.

Subsequent to the end of the quarter, the Company secured a nine month extension of the 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 two scheduled monthly Prepayment Loan Facility debt repayments totaling US\$950,000.

Total drawn debt at 30 September is US\$44.1 million.

## Group Cash

Group cash as at 30 September totaled A\$25.1 million.

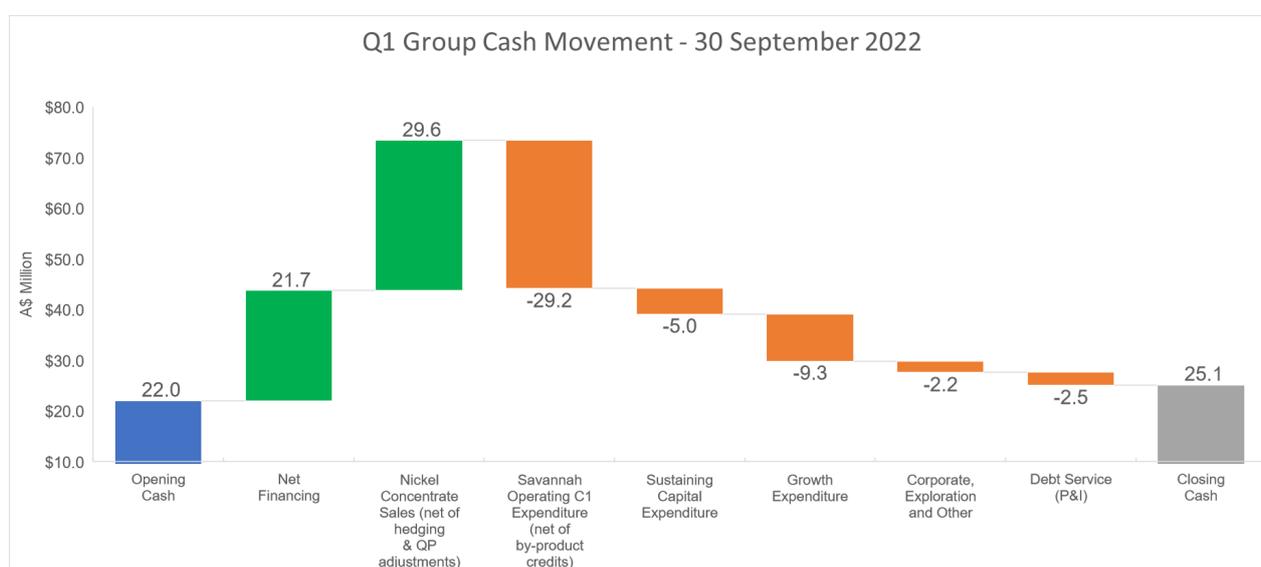
The movement in the cash position during the quarter included the following key items:

### Inflows

- Receipts totalling A\$29.6M (US\$20.1M) from the sale of nickel in concentrate net of hedge settlements and QP adjustments for nickel only.
- Funding from the drawdown of the RCF totalling A\$21.7 million (US\$15.0 million).

### Outflows

- A\$29.2M Savannah operating expenditure including sea freight, royalties and by-product credits inclusive of QP adjustments (copper and cobalt only) from June quarter shipments.
- A\$5.0M Savannah sustaining capital expenditure and mine development.
- A\$9.3M Savannah growth expenditure and on-mine exploration.
- A\$2.2 million corporate, regional exploration, and other working capital expenditure.
- A\$2.5 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

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