

26 July 2023

Quarterly Activities Report for the period ending 30 June 2023

Summary

SAVANNAH NICKEL OPERATIONS

- Mining and processing outcomes at Savannah reflect a challenging quarter due to a one-off weather event in the Kimberly region and the failure of the filter press head plate at the Savannah processing plant during the quarter:
 - Ore mined increased 1% quarter-on-quarter to 176,229t.
 - Ore milled decreased by 14% to 146,678t.
 - Concentrate production down 24% to 15,039dmt, with:
 - Contained nickel production down 26% to 1,081t nickel
 - Contained copper production down 20% to 658t copper
 - Contained cobalt production down 23% to 76t cobalt
- Three shipments of nickel-copper-cobalt concentrate completed:
 - Concentrate shipments down 32% to 15,147dmt with:
 - Contained nickel shipped down 34% to 1,091t
 - Contained copper shipped down 27% to 668t
 - Contained cobalt shipped down 31% to 77t
 - All concentrate shipments during the quarter sent to Trafigura under the new offtake agreement with improved payability compared to the previous agreement.
- Unit cost performance for the quarter was higher across C1, AISC and AIC metrics due to the operational issues which reduced production.

		Units	Jun Qtr 2023	Mar Qtr 2022	Change Qtr on Qtr	Total FY23
Unit Costs	C1	A\$/lb	\$17.49	\$12.78	37%	\$13.25
	AISC	A\$/lb	\$19.59	\$13.65	44%	\$14.90
	AIC	A\$/lb	\$22.33	\$15.55	44%	\$17.64

- FY23 production C1 costs in line with revised FY23 guidance issued on 14 June 2023 following the failure of the filter press head plate.

FY24 GUIDANCE

- FY24 guidance forecasts an increase in production for nickel of 26% – 41%, for copper of 36% – 52% and for cobalt of 9% – 36% compared to FY23 outcomes.
- Significant lift in production also expected to be accompanied by a year-on-year reduction in C1 costs per pound of nickel in FY24.
- Improved FY24 performance to be driven by a range of factors including the opening of new mining levels in Savannah North, first production from the Savannah extension, the sourcing of additional spares at site and greater equipment/manning availability.

SAVANNAH NICKEL EXPLORATION

- Three-hole drill program to establish new underground DHEM survey platforms testing extensions at Savannah intersects massive sulphide intrusions.
- Surface DHEM surveying undertaken at the regional Stoney Creek and Northern Ultramafic Granulite prospects.
- Surface exploration diamond drilling completed at the Dave Hill / Wilsons Intrusion and Keller Creek Graphite targets.

CORPORATE

- Cash at the end of the quarter of A\$14.2 million, down by 57% from the end of the prior quarter.
- Debt repayments for the quarter total \$2.5 million.

Panoramic Managing Director and CEO, Victor Rajasooriar commented:

“The operations staff and our business partners battled hard in FY23 to achieve this outcome in the face of periods of adversity, largely due to equipment failure. We were able to get through these challenges, undertake preventative maintenance and build mine stocks to lay the foundation for a much stronger FY24 financial year, as reflected in our guidance.”

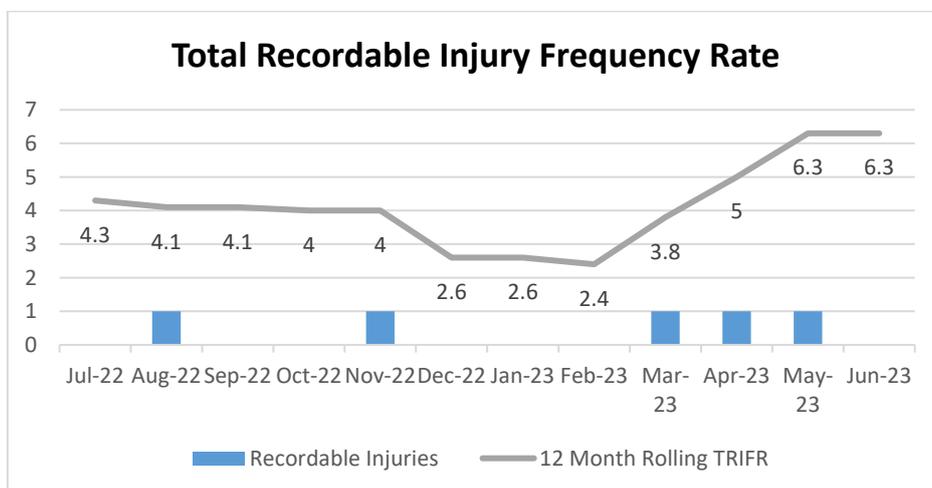
Savannah Nickel Project – Operations

Safety

The site safety culture has continued to develop, there has been a focus on increasing the standard of incident investigations with emphasis on ensuring quality actions from investigations to prevent re-occurrence of similar incidents.

Unfortunately, the Total Recordable Injury Frequency Rate (TRIFR) increased during the quarter to 6.3 due to two medically treated hand injuries.

Mental Health First Aid training was carried out during the quarter with site-based employees and contractors attending. The training was very well received and further courses are being planned.



Environment

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

Planning and preparation of tender documents to construct a tailings storage facility wall lift commenced. This has been approved by relevant authorities and is planned for the first half of FY2024.

Cultural Heritage training was undertaken on site during the quarter.

Underground Mining

The mining physicals reflect a challenging quarter due to a number of issues. The effects of the one-off weather event from the March quarter continued to impact the logistics route to site in early April with the Fitzroy Crossing bridge being washed out creating delays in getting supplies to site.

At the start of the quarter, production from the mine was affected due to blockages in the paste fill line servicing the mine. This resulted in a re-sequence of lower grade stopes being brought online which were independent of paste fill requirements.

Compounding this issue was the failure of the filter press head plate in the processing plant in June. This hampered the operation of the processing plant which, in turn, led to a reduced amount of paste being supplied to the underground mine.

As a result of the filter press head plate failure and the suspension of concentrate production, a decision was made to restrict underground ore production activities in order to minimise oxidation of newly mined ore on the surface stockpile. In total approximately 34,000t of ore was stockpiled on the surface during the June quarter, with the underground mine holding back approximately 55,000t of ore which was otherwise ready to be blasted and mined. These activities set the operation up for a positive start in FY24.

Figure A: Long Section of Savannah North

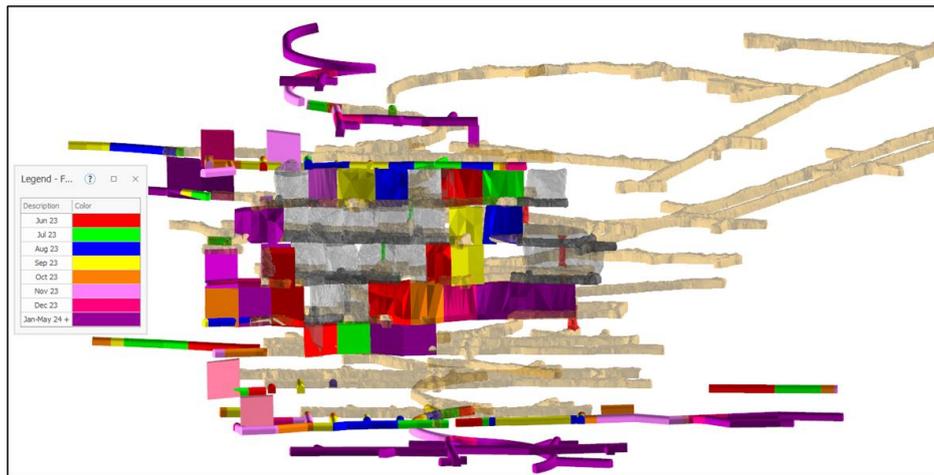


Figure B: Long Section of Savannah

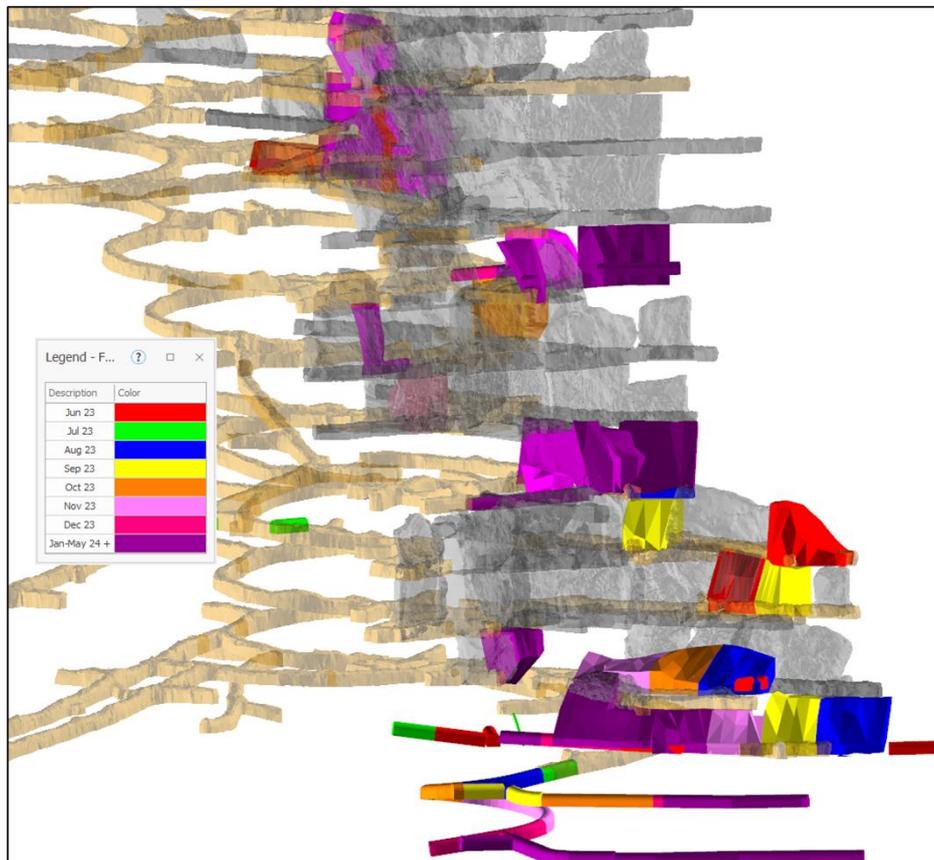


Table 1: Mining physicals achieved at Savannah

Area	Details	Units	Jun Qtr 2023	Mar Qtr 2023	Variance	FY23 Actuals
Mining	Jumbo development	m	922	803	15%	4,171
	Ore mined	dmt	176,229	174,924	1%	680,438
	Ni grade	%	0.93	1.03	-10%	1.02
	Ni Metal contained	dmt	1,631	1,803	-10%	6,973
	Cu grade	%	0.48	0.50	-4%	0.51
	Co grade	%	0.06	0.07	-14%	0.07

Processing and Concentrate Production

The processing physicals for the quarter were materially lower than the March quarter's result, mainly driven by the lower grade ore mined at the start of the quarter (resulting in lower recoveries) and the filter press failure in June at the processing plant.

A new filter press head unit was fabricated and successfully commissioned on 9 July 2023 with concentrate production quickly returning to full production capacity.

Table 2: Processing physicals achieved at Savannah and Savannah North

Area	Details	Units	Jun Qtr 2023	Mar Qtr 2023	Variance	FY23 Actuals
Milling	Ore milled	dmt	146,678	170,562	-14%	648,324
	Ni grade	%	0.94	1.05	-10%	1.04
	Cu grade	%	0.48	0.51	-6%	0.52
	Co grade	%	0.06	0.06	0%	0.06
	Ni recovery	%	78.62	81.46	-3%	80.34
	Cu recovery	%	93.81	93.90	0%	93.67
	Co recovery	%	87.98	89.59	-2%	87.90
Concentrate Production	Concentrate	dmt	15,039	19,764	-24%	73,088
	Ni grade	%	7.19	7.41	-3%	7.39
	Ni Metal contained	dmt	1,081	1,465	-26%	5,402
	Cu grade	%	4.38	4.17	5%	4.28
	Cu Metal contained	dmt	658	825	-20%	3,129
	Co grade	%	0.51	0.50	2%	0.50
	Co Metal contained	dmt	76	99	-23%	368

Area	Details	Units	Jun Qtr 2023	Mar Qtr 2023	Variance	FY23 Actuals
Concentrate Shipments	Concentrate	dmt	15,147	22,217	-32%	77,300
	Ni grade	%	7.20	7.39	-3%	7.32
	Ni Metal contained	dmt	1,091	1,642	-34%	5,658
	Cu grade	%	4.41	4.13	7%	4.21
	Cu Metal contained	dmt	668	917	-27%	3,253
	Co grade	%	0.51	0.50	2%	0.51
	Co Metal contained	dmt	77	112	-31%	393

Port Operations and Shipments

Three concentrate shipments were completed during the June quarter, however volumes were 32% lower than the March quarter. The impact of the lower mined grades combined with the filter press failure resulted in the equivalent of a full concentrate shipment being missed in June, impacting revenues and cash flow by an estimated \$20M. The cash at the end of the quarter was 57% lower than the March quarter at \$14.2M.

At the end of the quarter, produced/unsold concentrate on hand at the port and mine site totaled 1,154wmt.

Costs

Table 3: Cost outcomes achieved during the June quarter 2023

		Units	Jun Qtr 2023	Mar Qtr 2022	Change Qtr on Qtr	Total FY23
Unit Costs	C1	A\$/lb	\$17.49	\$12.78	37%	\$13.25
	AISC	A\$/lb	\$19.59	\$13.65	44%	\$14.90
	AIC	A\$/lb	\$22.33	\$15.55	44%	\$17.64

Total site expenditure for the quarter net of by-product credits was \$42.2 million, up by 7% from the previous quarter.

Savannah operating C1 expenditure (cash basis net of by-product credits) for the quarter was \$33.1 million, which results in a C1 cash cost per pound of payable nickel of \$17.49/lb.

Expenditure on sustaining capital inclusive of plant and equipment and mine development increased to \$4.0 million in the quarter, reflecting a rescheduling of activities in June to increase underground development work and reduce stope production following the filter press failure. This resulted in an AISC unit cost per pound of payable nickel of \$19.59/lb.

Growth expenditure and in-mine exploration costs were \$5.2 million which results in an AIC unit cost per pound of payable nickel of \$22.33/lb.

FY23 Summary of Guidance vs Actual

FY23 production and C1 guidance was updated on 14 June 2023 when it became clear the lower end of guidance could not be achieved after attempts to repair the filter press head plate had failed. Sustaining and mine development capital expenditure and growth expenditure variances (when compared to guidance) are due to higher jumbo development activities carried out in Savannah North advancing areas more than 12 months in front of production but providing drilling platforms for resource definition drilling.

Table 3: FY23 Guidance Vs Actual

Metric	FY23 Guidance	FY23 Actual
Nickel in concentrate production	5,400 – 5,800t	5,402t
Copper in concentrate production	3,100 – 3,400t	3,129t
Cobalt in concentrate production	350 – 400t	368t
C1 ¹ cost per pound of payable nickel	A\$13.00 – \$13.50/lb	A\$13.25/lb
Sustaining & Mine Development Capital	A\$20 – 28M	A\$15.5M
Growth Expenditure	A\$14 – 18M	A\$25.6M

¹ 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.

FY24 Guidance

Production and cost guidance for Savannah in FY24 has now been completed and reflects a significant improvement from FY23. This is founded on an expected significant increase in productivity from the underground mine. In FY24 five working levels will be open at Savannah North compared to two at the start of FY23. In addition, the Savannah extension (an area below the historical Savannah workings) will come into production for the very first time. The recent appointment of a specialised paste fill contractor to manage the paste plant is also expected to improve paste fill reliability and positively influence mining productivity. Underground mining contractor Barminco has all the equipment and people required to meet the FY24 targets in place from the start of the period and has also increased its inventory holdings on site to mitigate any maintenance delays due to parts unavailability as experienced in FY23. Full details are contained in Table 4.

Table 4: FY24 Guidance

Metric	FY24 Guidance
Nickel in concentrate production	6,800 – 7,600t
Copper in concentrate production	4,250 – 4,750t
Cobalt in concentrate production	400 – 500t
C1 ¹ cost per pound of payable Ni	A\$10.05 – 11.25/lb²
Sustaining Capital & Mine Development	A\$22 – 26M
Growth Expenditure	A\$10 – 12M

¹ *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.*

² *By-product based on exchange rate of AUD:USD 0.70 and commodity prices of US\$8,000/t Cu and US\$40,000/t Co.*

The FY24 guidance contains assumptions for future commodity prices, exchange rates, costs and mine scheduling. Achievement of this guidance is dependent on the mine schedule at Savannah North and Savannah 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. The guidance range provided reflects a forecast average for the year.

Nickel in Concentrate – FY24 production guidance reflects a blended production of ore from Savannah (Extension & remnants) and Savannah North (new mine). Savannah North provides approximately 52% of the ore feed, with Savannah providing the balance.

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.

Sustaining Capital & 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.

Growth Expenditure – is 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

Savannah Drilling and DHEM Program Update

Three diamond drill holes designed as platforms for DHEM surveying were drilled from a position above the Savannah orebody. Holes KUD2050 and KUD2084 targeted below the 900 Fault and hole KUD2051 targeted above the Fault (Figure A). Below the 900 Fault, KUD2084 and KUD2050 are approximately 250m apart and are designed to target beneath and to the west of the currently known extents of the Savannah intrusion respectively. Above the 900 Fault, KUD2051 is a short 220m length hole designed to explore for possible westward extensions on the orebody.

Whilst being drilled, KUD2050 unexpectedly deviated slightly against rotation and also lifted above design.

As a result, the hole intersected the Savannah intrusion below the 900 Fault rather than below the intrusion as initially designed. Importantly, when traversing through the intrusion, KUD2050 intersected several significant zones of mineralisation including well-developed massive sulphide mineralisation on both the northern and southern contact of the intrusion (Figure B). Assayed results for these mineralised zones are:

- 6.45m @ 1.05% Ni, 0.31% Cu and 0.05% Co from 628m on the Northern Contact, including:
 - 3.6m @ 1.39% Ni, 0.17% Cu and 0.07% Co from 628.95m and
- 43m @ 0.79% Ni, 0.60% Cu and 0.04% Co from 652m within the Savannah orebody, including:
 - 11.60m @ 1.16% Ni, 0.54% Cu and 0.06% Co from 652m, including
 - 5.75m @ 1.67% Ni, 0.63% Cu and 0.08% Co from 652m
 - 15.80m @ 1.01% Ni, 0.74% Cu and 0.05% Co from 670.2m including
 - 7.5m @ 1.22% Ni, 1.10% Cu and 0.06% Co from 678.5m
- 5.05m @ 1.61% Ni, 1.10% Cu and 0.06% Co from 708.65m on the Southern Contact

Whilst close to the existing Savannah Resource below the 900 Fault, the KUD2050 mineralisation will improve on the width and grade of the known mineralisation in this area and thereby will build on the existing Savannah Resource in the future.

Downhole surveying of these holes has been completed and the modelling of plates is underway. Additional drilling in this area is planned during FY24.

Figure A: Long section of DHEM platform holes targeting Savannah above and below the 900 Fault

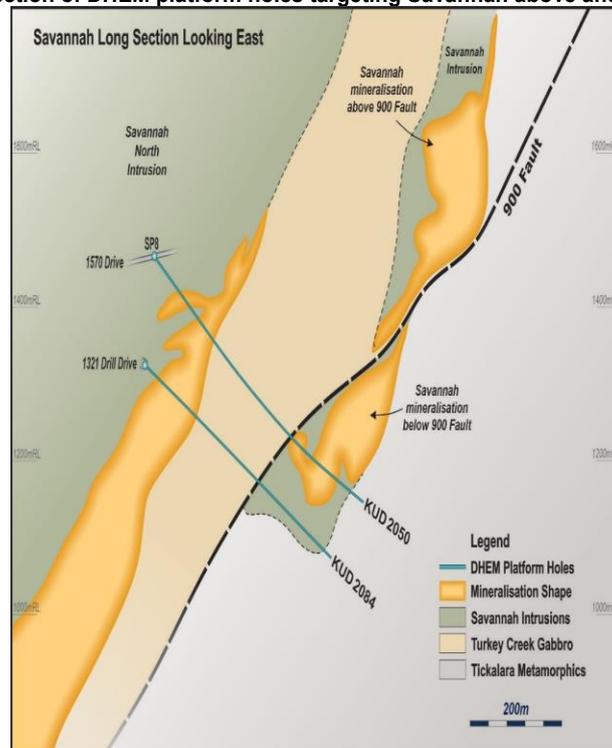
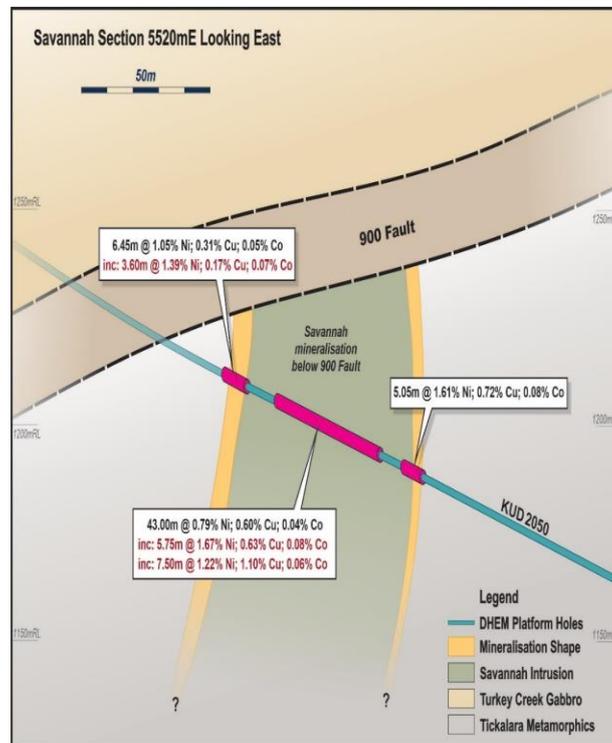


Figure B: KUD2050 through the Savannah intrusion and mineralisation below the 900 Fault

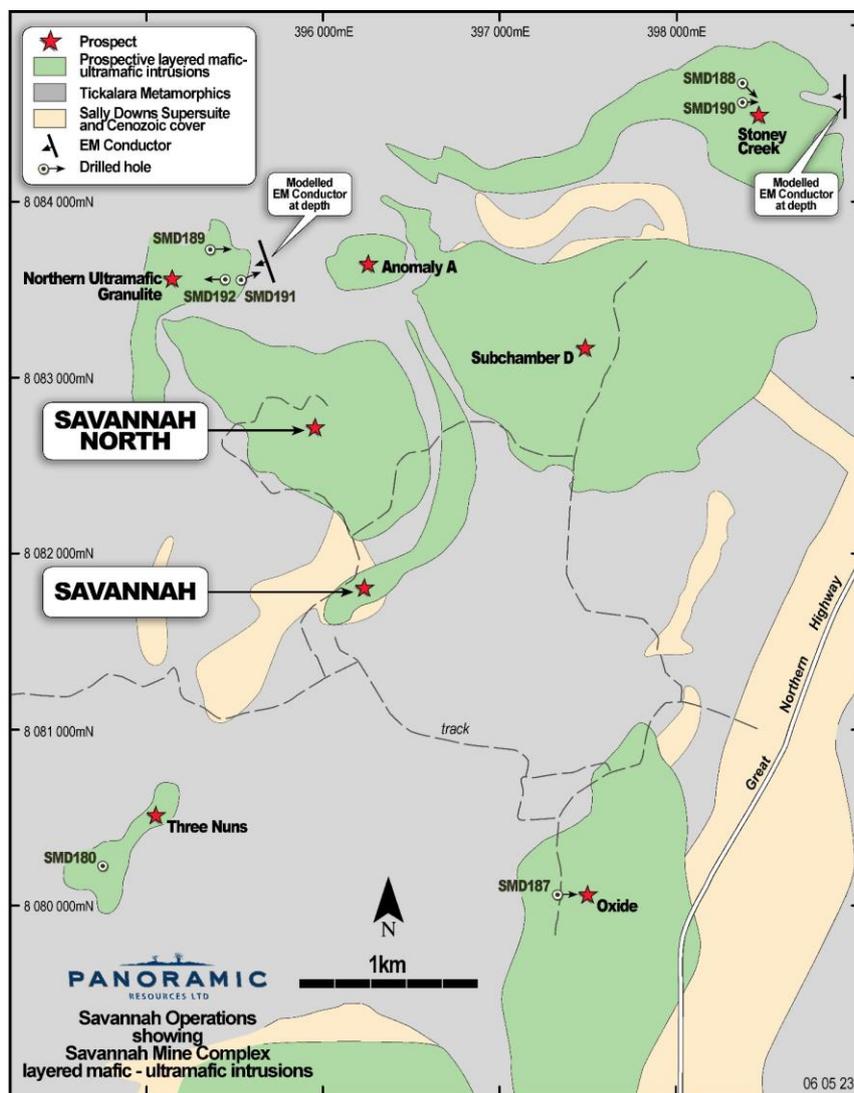


Exploration – Surface

Surface DHEM Surveys

DHEM surveys in previously drilled holes SMD188 and SMD190 in the Stoney Creek Intrusion and SMD191 and SMD192 in the Northern Ultramafic Granulite Intrusion were completed during the quarter and modelling is underway (Figure C).

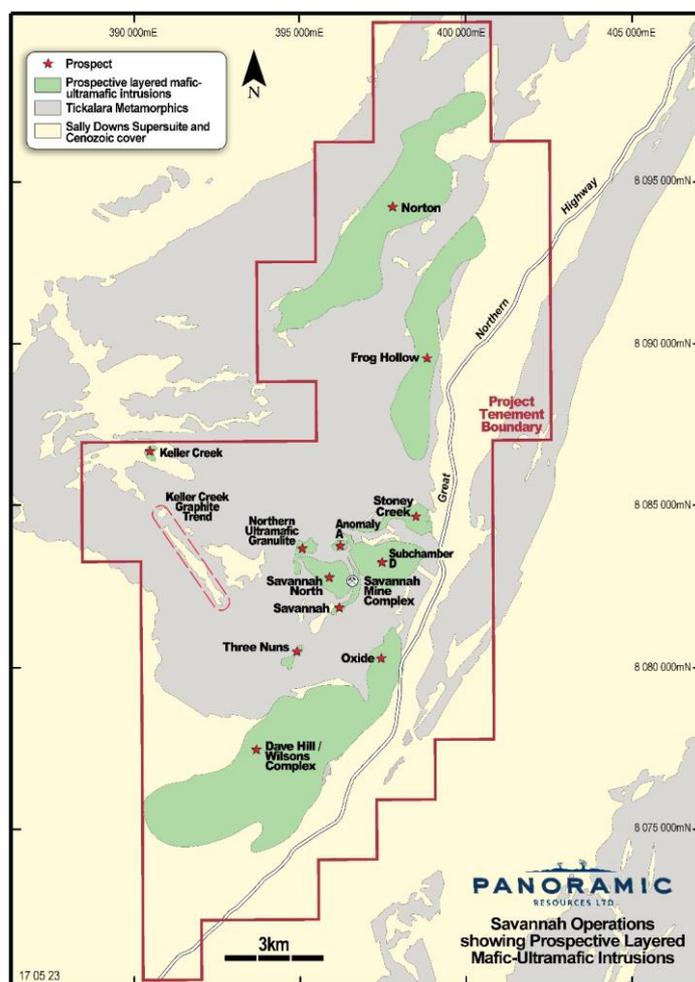
Figure C: Ultramafic intrusions of the Savannah Intrusive Complex highlighting recent drilling to be DHEM surveyed in May 2023



Surface Drilling at Savannah

The return of the Kimberley dry season enabled the resumption of diamond drilling. DDH1 Drilling was contracted and completed three surface diamond holes for approximately 1,500m. The focus of the drill program was testing the southeastern contact of the Dave Hill intrusion and follow up holes at the Keller Creek Graphite prospect (Figure D).

Figure D: Ultramafic intrusions of the Savannah Intrusive Complex highlighting surface exploration targets and ultramafic lithology



The Dave Hill/Wilson Creek Complex is located immediately to the south of Savannah. The Dave Hill and Wilson Creek layered cumulate bodies were previously considered to be two separate intrusions, however mapping, drilling and other studies by Panoramic indicate they belong to a single complex intrusion. A renewed focus on surface mapping has found a secondary area prospective for ultramafic rocks on the southeastern margin of the intrusion. Drilling tested this contact area at depths previously impenetrable by surficial geophysical techniques.

The Keller Creek Graphite prospect is located immediately to the west of Savannah. Regional airborne electromagnetic surveys conducted by the Company in search of nickel sulfide mineralisation, identified several large stratigraphic horizons of graphite bearing meta-sediments (Tickalara Metamorphics) across the entire Keller Creek tenement. The aim of the 2023 diamond drilling program is to improve on the RC program and determine the true thickness and Total Graphitic Carbon content of the graphite bearing horizon. The option to further understand the litho-geochemistry, graphite flake potential and complete metallurgical testwork will also be available following the drilling program.

Results from the three drill holes are expected in the September quarter 2023.

Corporate

Concentrate Revenue

Revenue/cash flow was received in the quarter from the Company's offtake partner Trafigura totaled US\$23.33 million (A\$34.85 million) following the issue of provisional invoices covering 15,147dmt of concentrate containing 1,091t of contained nickel.

No shipments were finalised during the quarter.

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 347t of nickel metal achieving an average price of US\$24,509/t. This hedging protects a portion of the nickel revenue received from the provisional sale of concentrate in the quarter.

Hedges totaling 1,182t of nickel were settled in the quarter at an average price of US\$26,889/t.

Outstanding hedges as at 30 June 2023 total 347t and represent 93% of the contained metal in shipments that have not been finalised. The average price achieved for this hedging is US\$24,509/t.

The following table shows the delivery profile for unsettled hedges as at 30 June 2023.

Nickel hedging	Units	July 2023
Volume	t	347
Settlement price	US/t	24,509

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

Trafigura Finance Facility

During the quarter the Company made three scheduled debt repayments to the Prepayment Loan Facility (PLF) totaling US\$1.62 million. Debt repayments since initial drawdown total US\$5.22 million.

Total drawn debt (PLF and RCF) as at 30 June is US\$39.78 million.

Group Cash

Group cash as at 30 June 2023 totaled A\$14.2 million, a decrease of 57% from the end of the previous quarter.

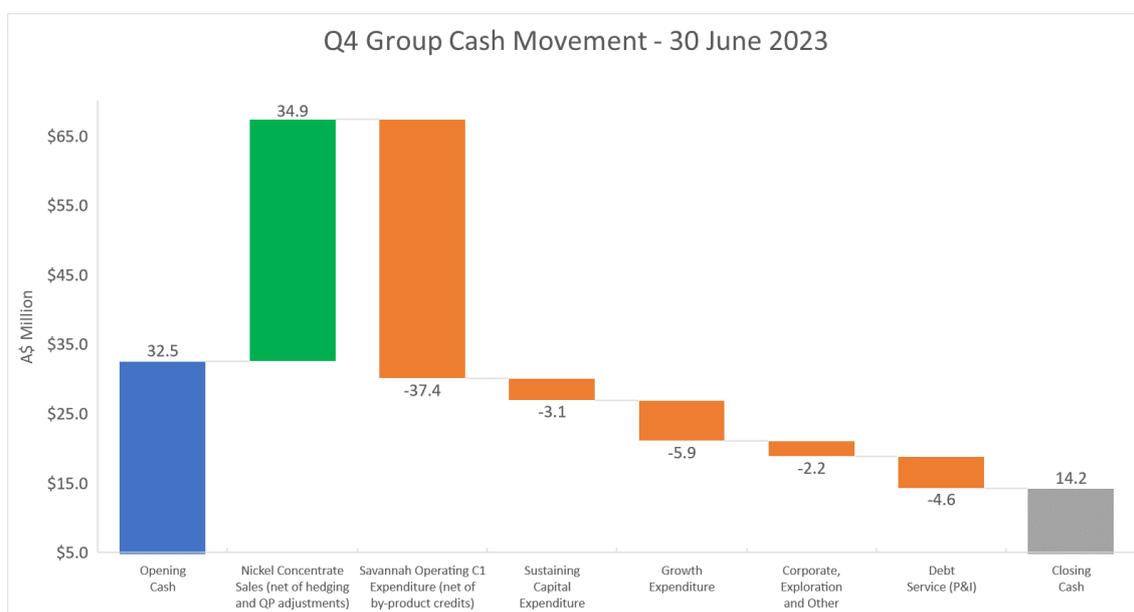
The movement in the cash position during the quarter included the following key items:

Inflows

- Receipts totalling A\$34.9 million (US\$22.9 million) from the sale of nickel in concentrate net of hedge settlements and QP adjustments for nickel only.

Outflows

- A\$37.4 million Savannah operating expenditure including sea freight, royalties and by-product credits inclusive of QP adjustments (copper and cobalt only).
- A\$3.1 million Savannah sustaining capital expenditure and mine development.
- A\$5.9 million Savannah growth expenditure and on-mine exploration.
- A\$2.2 million corporate, regional exploration, and other working capital expenditure.
- A\$4.6 million debt service inclusive of interest and scheduled debt repayments.



2024 Incentive Arrangements

As at 1 July 2023, the Managing Director and four senior executives are entitled to a further grant of 12,928,374 performance rights for FY2024 (in aggregate). These performance rights will have a three-year service and performance period.

The Managing Director’s short term incentive opportunity has also been increased to 80% of his total fixed remuneration, which with periodic reviews is now \$660,000 per annum (inclusive of superannuation). The Managing Director’s grant of 6,748,466 performance rights and an additional proposed grant of up to 10,000,000 Conditional Retention Rights (CRRs) is subject to shareholder approval. The CRRs will be performance rights issued in 2 tranches of 5,000,000, and will vest on 30 June 2025 and 30 June 2027 respectively, subject to achieving strategic objectives set by the Board and a service vesting condition.

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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