

Quarterly Activities Report for the period ending 30 September 2020

Significant Points

SAVANNAH

- **Updated Ore Reserve and Mine Plan** – outcomes confirm an attractive, near-term nickel sulphide mine restart opportunity at Savannah:
 - Updated Mine Plan includes some Inferred Resources located near Ore Reserves, which increases the mining inventory to **10.4Mt @ 1.22% Ni, 0.54% Cu and 0.08% Co for 127kt Ni, 56kt Cu and 8.5Kt Co contained metal**
 - The Savannah North orebody remains open along strike and at depth, providing significant potential to bring more material into the Mine Plan with future underground drilling
 - Attractive Base Case financial outcomes, including pre-tax cash flow of A\$468M and NPV₈ of A\$262M
 - Consensus Case (using consensus commodity price forecasts) delivers pre-tax cash flow of A\$637M and NPV₈ of A\$343M
 - Key operational outcomes of the Mine Plan include:
 - Increased mine life of approximately 13 years, with majority of ore sourced from the Savannah North orebody
 - Average annual production for years 1 to 12 of 8,810t Ni, 4,579t Cu and 659t Co in concentrate
 - Average site All-in Costs for years 1 to 12 of A\$7.54/lb payable Ni (US\$5.27/lb payable Ni), net of Cu and Co by-product credits
- **Pre-production development activities** – mining contractor, Barmenco, safely completed the 468m horizontal development drive intersecting the Savannah North FAR #3 ventilation raise with raise boring currently underway.

EXPLORATION

- **Surface exploration** – activities at Savannah resumed in September. A combination of deep surface diamond drilling and electromagnetic surveying is being used to explore for nickel sulphide mineralisation at a number of regional targets in close proximity to the Savannah infrastructure.
- **Underground drilling program commenced** – post end of quarter drilling to test a potential extension of the Savannah North Upper Zone orebody.

CORPORATE

- **Group Cash** – \$26.7 million available at quarter end to support current exploration and development activities.
- **CFO appointment** – Mr Grant Dyker appointed to the role of CFO following the resignation of Mr Mike Ball.

Nickel – Savannah Project

Updated Ore Reserve and Mine Plan

During the quarter Panoramic Resource Limited (ASX:PAN) (“Panoramic” or the “Company”) released an updated Ore Reserve and Mine Plan for the Savannah Nickel Project (“Savannah” or the “Project”) by specialist consultants Entech (refer to ASX announcement dated 31 July 2020). The outcomes from the study confirm Savannah as an attractive, near-term nickel sulphide mine restart opportunity with the Savannah Ore Reserve (including Savannah North) of 8.3Mt @ 1.23% Ni, 0.59% Cu and 0.08% Co for 102kt Ni, 48.5kt Cu and 7kt Co contained metal.

Following the positive outcomes of the study, underground development has recommenced with the objective of completing the Savannah North ventilation raise and certain underground works to support the future mining of Savannah North. These programs will leave the project significantly derisked and capable of being restarted in the first half of 2021.

Updated Mine Plan

The updated Mine Plan includes some Inferred Resources located near Ore Reserves, which increases the mining inventory to 10.4Mt @ 1.22% Ni, 0.54% Cu and 0.08% Co for 127kt Ni, 56kt Cu and 8.5kt Co contained metal. The Mine Plan consists of approximately 13 years, with average annual production from Savannah over years 1 to 12 estimated at 8,810t Ni, 4,579t Cu and 659t Co metal in concentrate. Site All-in Costs over the same period are estimated to average A\$7.54/lb payable Ni (or US\$5.27/lb payable Ni) across the life of mine (see Figure 1).

The Mine Plan has an attractive Base Case financial outcome, including pre-tax cash flow of A\$468M and NPV₈ of A\$262M, with Consensus Case (using consensus commodity price forecasts – see Table 2) delivering pre-tax cash flow of A\$637M and NPV₈ of A\$343M.

Figure 1: Mine Plan production and AISC

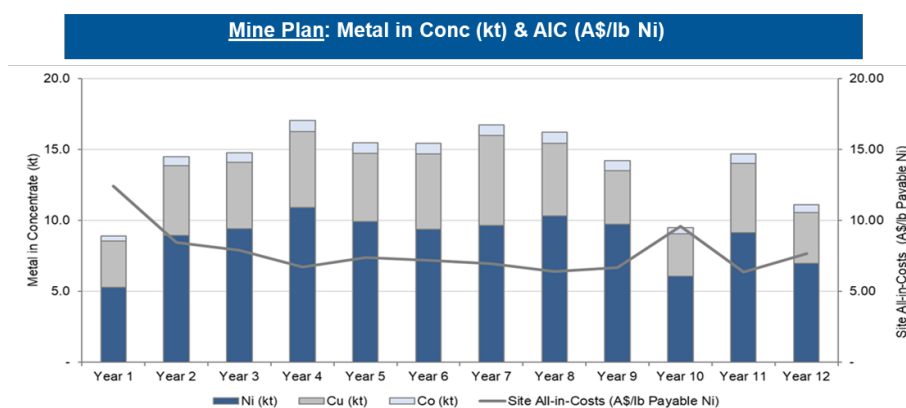


Table 1: Base case commodity price and exchange rate assumptions

Item	US\$/t	AUD:USD	A\$/t
Nickel	15,750	0.70	22,500
Copper	6,300	0.70	9,000
Cobalt	38,500	0.70	55,000

Table 2: Consensus case commodity price and exchange rate assumptions

Item	2020	2021	2022	2023	2024	2025	2026+
Nickel (US\$/t)	12,606	13,903	14,741	15,012	15,628	16,077	17,595
Copper (US\$/t)	5,335	5,787	6,154	6,258	6,469	6,765	7,351
Cobalt (US\$/t)	36,206	38,512	42,668	43,539	46,794	48,950	53,457
AUD:USD	0.70	0.70	0.70	0.70	0.70	0.70	0.70

Updated Ore Reserve

The Company released an updated Ore Reserve estimate for Savannah on 30 June 2020 following the completion of an updated Mineral Resource in May 2020. The updated Ore Reserve incorporates the results from all drilling completed at Savannah including 112 infill grade control drill holes undertaken since July 2019.

The updated Ore Reserve stands at 8.27Mt @ 1.23% Ni, 0.59% Cu and 0.08% Co for contained metal of 101.8kt Ni, 48.5kt Cu and 7.0kt Co.

Table 3: June 30, 2020 Savannah Ore Reserve Estimate

Ore Reserve	Metal	Proved		Probable		Total		Metal Tonnes
		Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah	Nickel	1,233,000	0.95	-	-	1,233,000	0.95	11,700
	Copper		0.66	-	-		0.66	8,100
	Cobalt		0.05	-	-		0.05	600
Savannah North	Nickel	1,795,000	1.21	5,246,000	1.28	7,041,000	1.28	90,100
	Copper		0.54		0.57		0.57	40,400
	Cobalt		0.09		0.09		0.09	6,400
Total	Nickel	3,028,000	1.10	5,246,000	1.28	8,274,000	1.23	101,800
	Copper		0.59		0.57		0.59	48,500
	Cobalt		0.07		0.09		0.08	7,000

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

Table 4: Comparison with previous Savannah Ore Reserve

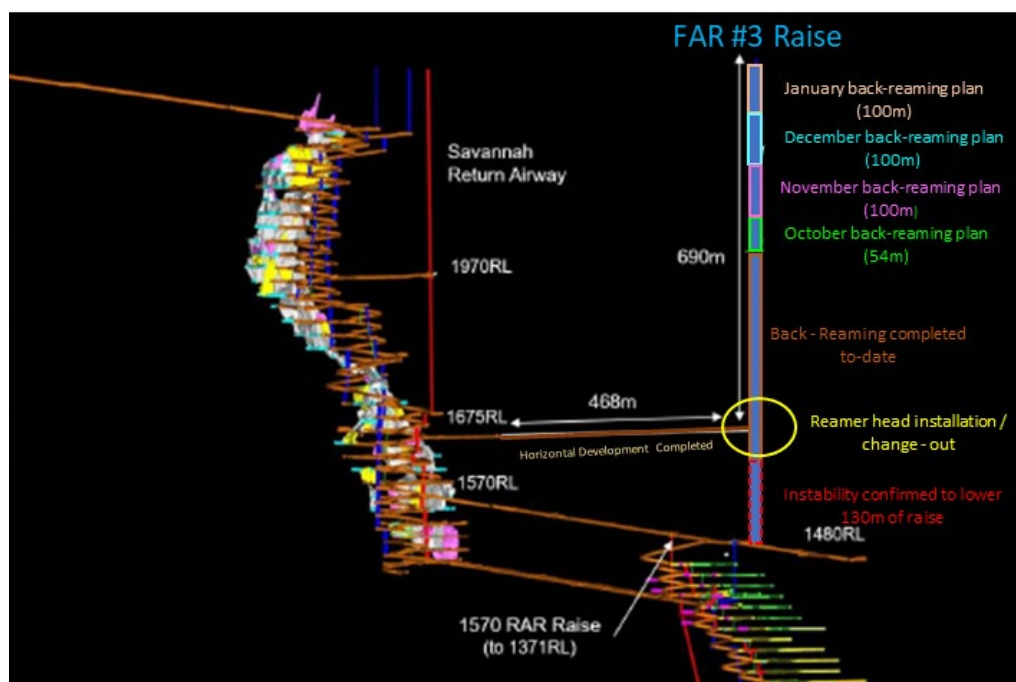
Ore Reserve	Metal	Proved		Probable		Total		Metal Tonnes
		Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
July 2020 Ore Reserve Estimate								
Savannah	Nickel	1,233,000	0.95			1,233,000	0.95	11,700
	Copper		0.66				0.66	8,100
	Cobalt		0.05				0.05	600
Savannah North	Nickel	1,795,000	1.21	5,246,000	1.30	7,041,000	1.28	90,100
	Copper		0.54		0.58		0.57	40,400
	Cobalt		0.09		0.09		0.09	6,400
Total	Nickel	3,028,000	1.10	5,246,000	1.30	8,274,000	1.23	101,800
	Copper		0.59		0.58		0.59	48,500
	Cobalt		0.07		0.09		0.08	7,000
June 30, 2019 Ore Reserve Estimate								
Savannah	Nickel	1,371,000	1.16		-	1,371,000	1.16	15,900
	Copper		0.75		-		0.75	10,300
	Cobalt		0.06		-		0.06	800
Savannah North	Nickel		-	6,650,000	1.42	6,650,000	1.42	94,500
	Copper		-		0.61		0.61	40,900
	Cobalt		-		0.10		0.10	6,700
Total	Nickel	1,371,000	1.16	6,650,000	1.42	8,021,000	1.38	110,400
	Copper		0.75		0.61		0.64	51,200
	Cobalt		0.06		0.10		0.09	7,500
Variance								
Savannah	Nickel	-138,000	-			-138,000	-	-4,200
	Copper		-				-	-2,200
	Cobalt		-				-	-200
Savannah North	Nickel	1,795,000	-	-1,404,000	-	391,000	-	-4,400
	Copper		-		-		-	-500
	Cobalt		-		-		-	-300
Total	Nickel	1,657,000		-1,404,000		253,000	-	-8,600
	Copper						-	-2,700
	Cobalt						-	-500

Pre-production development activities – Savannah North

On completion of the updated Mine Plan, mining contractor Barmingo mobilised to Savannah on 1 August 2020 and commenced works to complete the 468m horizontal underground development drive. The drive connects with the vertical ventilation shaft to complete Fresh Air Raise (FAR #3) at Savannah North. The development drive was safely completed in September 2020, at which time Barmingo switched focus to underground development to open up additional working levels at Savannah North.

In October 2020 RUC Mining set up the Raisebore rig on the surface and installed the reamer head at the 1675 RL which was developed to intersect into the existing FAR #3 Raise. This critical task was completed safely and efficiently as planned and raiseboring is now underway. Completion, planned for March quarter 2021, will provide sufficient ventilation to support future full-scale mining operations from Savannah North in line with the updated Mine Plan.

Figure 2: Savannah North Proposed FAR #3 works



Savannah exploration

Panoramic commenced exploration drilling on new nickel sulphide targets at Savannah in early September.

The surface-based phase of the exploration program is expected to take up to three months to complete and aims to complete preliminary nickel prospectivity assessments and initial stratigraphic drilling of the previously untested Oxide, and Stoney Creek intrusions (Figure 3).

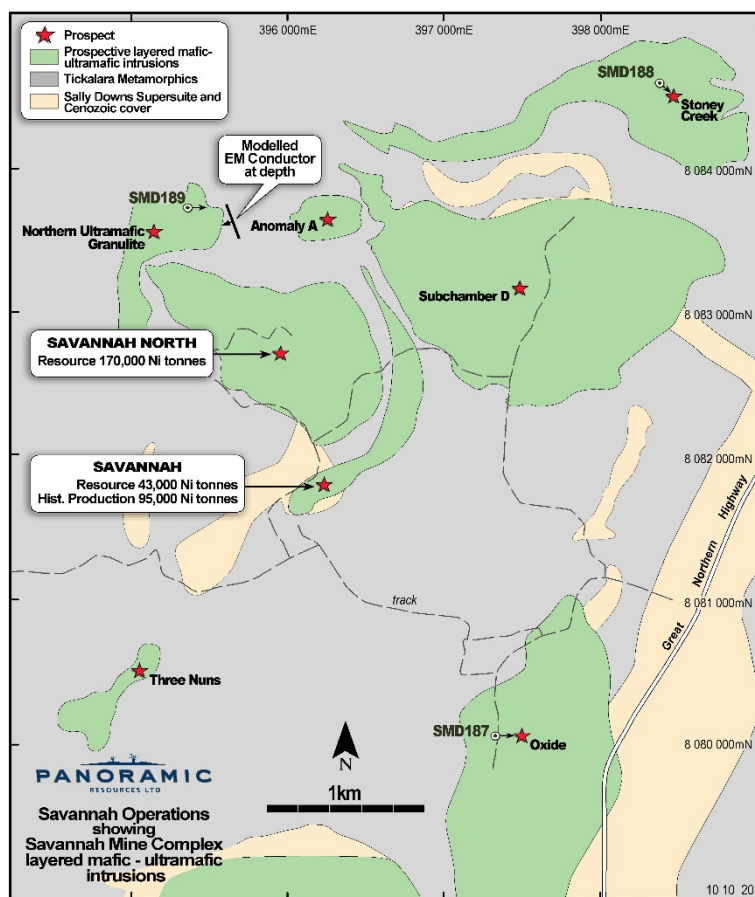
In addition, a previously identified but untested EM conductor located between the Northern Ultramafic Granulite and Anomaly A will be targeted as part of the surface exploration program. This conductor, which was originally identified by a combination of fixed-loop EM and DHEM surveying during 2010 and 2012, has been modelled as a discrete, short strike length conductor of good depth continuity and moderate conductance, situated approximately 300m below the surface.

This planned assessment uses a combination of deep surface diamond drilling plus down hole electromagnetic (DHEM), moving loop electromagnetic (MLEM) and fixed receiver electromagnetic (FREM) surveying.

The planned deep diamond drill hole test (600 – 800m) of each intrusion will also provide the appropriate samples to determine the mineralogical and geochemical characteristics of each intrusion as well as provide details of their 3D architecture and internal stratigraphy.

Post the end of the period, the first results from the surface exploration program were returned. The key highlight from these results is the identification of a series of bedrock conductors between 300m and 500m downhole in the drill hole completed between the Northern Ultramafic Granulite and Anomaly A which is a high priority for future drilling (refer ASX announcement dated 22 October 2020).

Figure 3: Savannah Plan showing prospective layered mafic-ultramafic intrusions and drill hole locations



Underground exploration

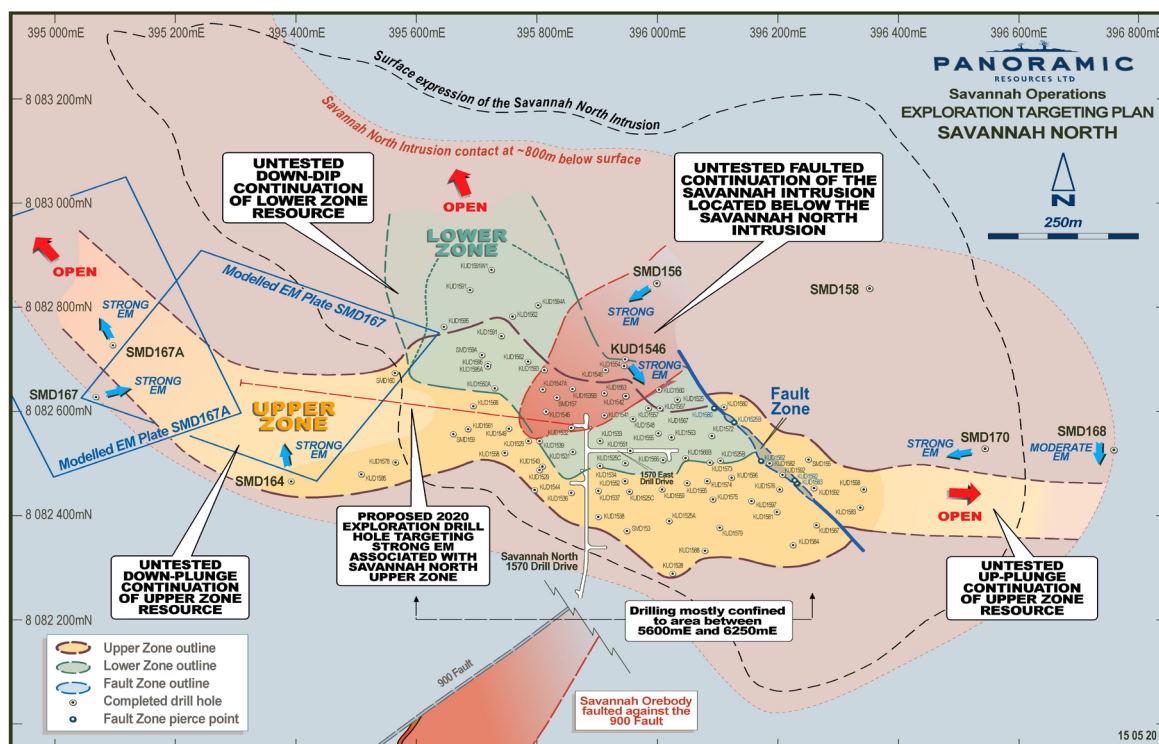
An underground diamond drill rig has been mobilised to site and has commenced drill hole KUD1733 to test a series of strong DHEM anomalies located immediately to the west of the Savannah North orebody (Figure 4).

The DHEM anomalies have been modelled and are interpreted to reflect the westward continuation of the Savannah North Upper Zone orebody. The presence of these large and overlapping DHEM responses is strong evidence for the potential of the orebody in this area to host additional resources of semi-massive to massive sulphide mineralisation. If confirmed, further drilling could result in a significant increase the Savannah North Mineral Resource and enhance the Savannah Mine Plan.

The drill hole has been collared from the 1570 Savannah North drill drive and designed to target a point at 5350mE, 2650mN between 850 – 870mRL, which theoretically represents the confluence of the series of modelled EM plates in that area. The designed length of the hole is approximately 900m, with a target intersection depth at approximately 800m.

First assay results from KUD1733 are expected late in the December quarter 2020.

Figure 4: Savannah North Project Plan showing proposed drill hole to test modelled EM anomalies



Corporate

Group Cash

Group cash (available and restricted (\$290k)) as at 30 September 2020 totaled \$26.7 million. The movement in the cash position during the quarter included the following key items:

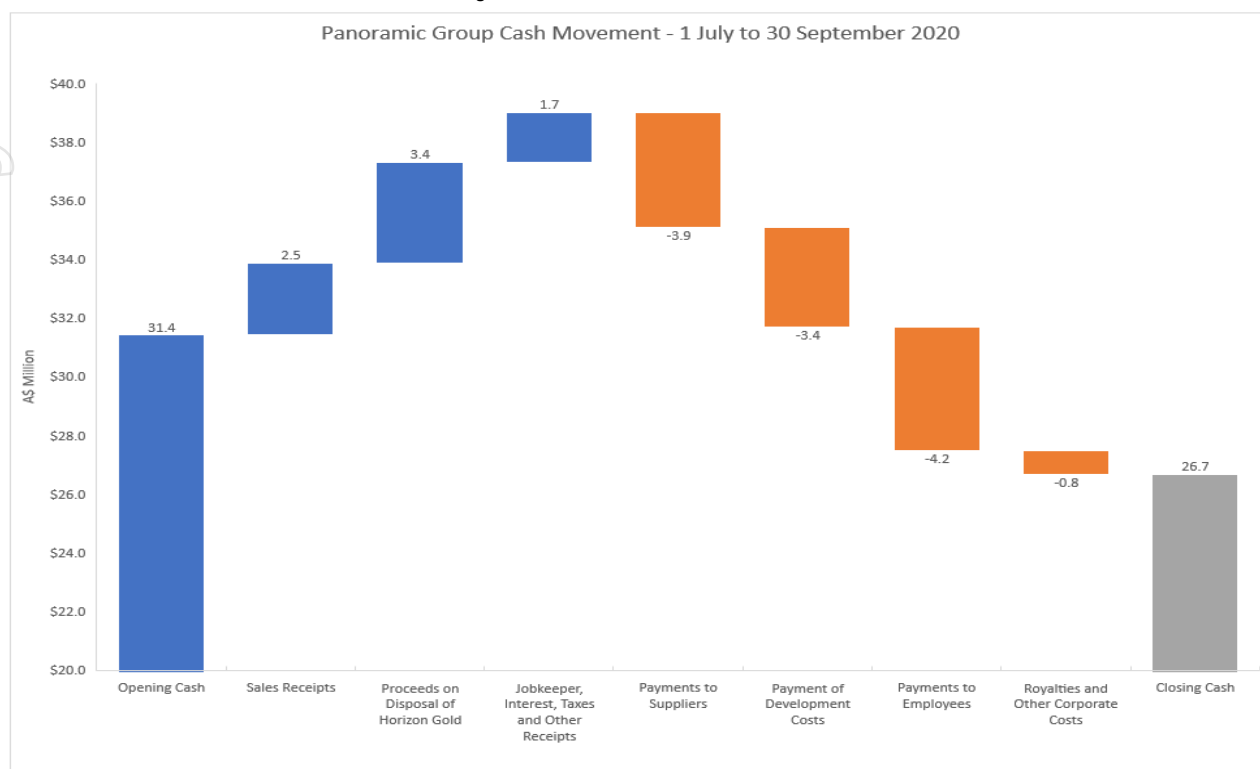
Inflows

- \$2.5 million net revenue from nickel concentrate sales and QP adjustments;
- \$3.5 million from the Horizon Gold share sale; and
- \$0.9 million in JobKeeper receipts.

Outflows

- \$9.5 million on Savannah site costs (capital/operating/resource definition drilling/suspension costs); and
- \$1.9 million on corporate and finance lease costs.

Figure 5: Panoramic Cashflow Movement



Agreement to divest Panton PGM Project

In October, post the end of the period, Panoramic entered into a binding agreement to sell the Panton PGM Project and associated tenements to Dubai 2020 Limited (or its nominee) for up to A\$15 million. The Agreement is consistent with the Company's intention to divest non-core assets and focus on the Savannah Nickel Project.

A A\$200,000 non-refundable deposit has been paid by Dubai 2020 and completion of the Agreement is subject to further due diligence being satisfactory to Dubai 2020 and negotiation of definitive documentation by 5 December 2020 (refer ASX announcement dated 12 October 2020).

Thunder Bay North PGM Project Update

As previously advised including on 15 May, the Company's wholly owned subsidiary, Magma Metals Pty Ltd (**Magma**), has completed the sale of all the shares in Panoramic PGMs (Canada) Limited (**PAN PGMs**) to Clean Air Metals Inc. (formerly Regency Gold Corp. (NEX:RAU.H) (**Clean Air Metals**).

Under the share purchase agreement announced on 6 January 2020, the purchase price comprised total cash consideration of C\$9.0 million. A deposit of C\$250,000 was received on execution of the agreement. A further C\$4,250,000 was received on closing, with C\$2,250,000 of that to be held in trust by Panoramic's Canadian lawyers pending receipt of a Clearance Certificate as required under the Income Tax Act (Canada).

Deferred consideration of C\$4.5 million is due in three equal instalments on the first, second and third anniversaries of the completion of the sale.

At the date of this Report the Company is still waiting on receipt of a Clearance Certificate as required under the Income Tax Act (Canada). The Company now expects the funds to be received during the December 2020 quarter.

Management appointment

In late September Panoramic appointed Mr Grant Dyker as Chief Financial Officer (CFO).

Mr Dyker is a highly experienced senior executive who has held the CFO role at several ASX-listed resources companies over the past 15 years, including Dacian Gold Limited, Sirius Resources NL, Doray Minerals Limited, Avoca Resources Limited and Aztec Resources Limited. In these roles he has been responsible for leading and managing numerous major project and corporate financing processes through to successful completion. This includes project and corporate debt funding totaling A\$1.1 billion (eight transactions) and new equity funding totaling A\$630 million (nine transactions). Mr Dyker also has considerable experience in feasibility study preparation, tender processes, equipment finance, hedging and operational optimisation.

Mr Dyker's appointment follows the resignation of Panoramic's previous CFO, Mr Mike Ball, to pursue other business opportunities.

Roster and salary reinstatement

Coinciding with the resumption of development activities and upcoming exploration activities, site and corporate office workforce rosters and salaries have returned to pre-suspension levels following reductions in April 2020. The reductions were implemented in response to the suspension of operations and uncertainty related to the COVID-19 pandemic. Salaries and fees for senior management and the Board have also been reinstated to previous levels.

Competent Person

The information in this release that relates to Exploration Targets and Results at Savannah is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights to shares in relation to Panoramic Resources Limited.

The information in this release that relates to Ore Reserves for Savannah and Savannah North is based on information compiled by or reviewed by Shane McLeay. Mr McLeay is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Principal Mining Engineer and full-time employee of Entech Consulting based in Perth, Western Australia.

The aforementioned have 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. Messrs Hicks and McLeay consent to the inclusion in the release of the matters based on the information in the form and context in which it appears.

Forward looking statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian company which owns the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned and operated the Project from 2004 until 2016 before the mine was placed on care and maintenance. Following the discovery of the Savannah North orebody, the mine was recommissioned in 2018 before being temporarily suspended in 2020.

Panoramic has completed an updated Mine Plan for Savannah which has outlined an attractive near-term nickel sulphide mine restart opportunity. Underground pre-production development works at Savannah will recommence in August 2020. Completion of these works is expected to leave the Project in a position to be restarted in mid-2021.

This ASX announcement was authorised on behalf of the Panoramic Board by: Victor Rajasooriar, Managing Director & CEO

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