

## Quarterly Activities Report for the period ending 31 December 2020

### Summary

#### SAVANNAH

- **Completion of FAR #3 ventilation raise**– critical underground infrastructure to support the future mining of the Savannah North orebody completed safely, on budget and ahead of schedule.
- **Four levels of underground development completed** at Savannah North to de-risk future mining activities.
- Preparations undertaken for miscellaneous surface and underground infrastructure upgrades to be completed between January and June 2021.
- Activities support the aim to have Savannah in a position to be ready to commence a **rapid restart of nickel, copper and cobalt production in the second half of 2021**.

#### EXPLORATION

- Surface exploration identifies a **series of new, off-hole EM conductors located directly along trend of the Savannah and Savannah North deposits**:
  - Located directly east of the Northern Ultramafic Granulite around 1km north of Savannah North
  - Initial drill testing of the new targets expected in the March quarter 2021 (weather dependent)
- Surface drilling and downhole EM surveys completed at the Oxide and Stoney Creek intrusion targets.
- Single underground drill hole completed to test a series of very strong EM anomalies interpreted to be potential westward extension of the Savannah North Upper Zone orebody:
  - Drilling deviation resulted in the hole intersecting an area above the targeted DHEM plates (800 to 900m) with remobilised mineralisation encountered at 552.2m of **4.0m grading 0.85% Ni, 0.11% Cu and 0.05% Co**.
  - Large DHEM target that exists in this area of Savannah North has not been effectively tested.

#### CORPORATE

- **Group Cash** – \$29.8 million available at quarter end to support current exploration and development activities.
- **Panton PGM Project sale** – divestment of non-core project to Great Northern Palladium Pty Ltd (GNP):
  - Consideration of A\$12 million (net of 2% fee) received for divestment of an initial 80% interest
  - GNP has a right to acquire the remaining 20% of Panton for consideration of a further A\$3 million
- **Thunder Bay Cash** – The company is still awaiting clearance from the Canadian taxation office to repatriate cash totalling A\$2 million which is expected in the March quarter 2021.
- **Project financing and offtake** – discussions progressed with reputable offtake parties about the possibility of securing a prepayment facility of up to US\$30.0 million together with offtake terms for the period beyond February 2023 to support a potential Savannah North restart.

## Nickel – Savannah Project

### Savannah North Ventilation Works

On 1 August 2020 Barmingo mobilised to Savannah and commenced completion of a 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 and in October 2020 RUC Mining set up a raisebore rig on the surface (Figure 1) to complete the FAR #3 raise.



*Figure 1: RUC Raisebore rig setting up on the surface*

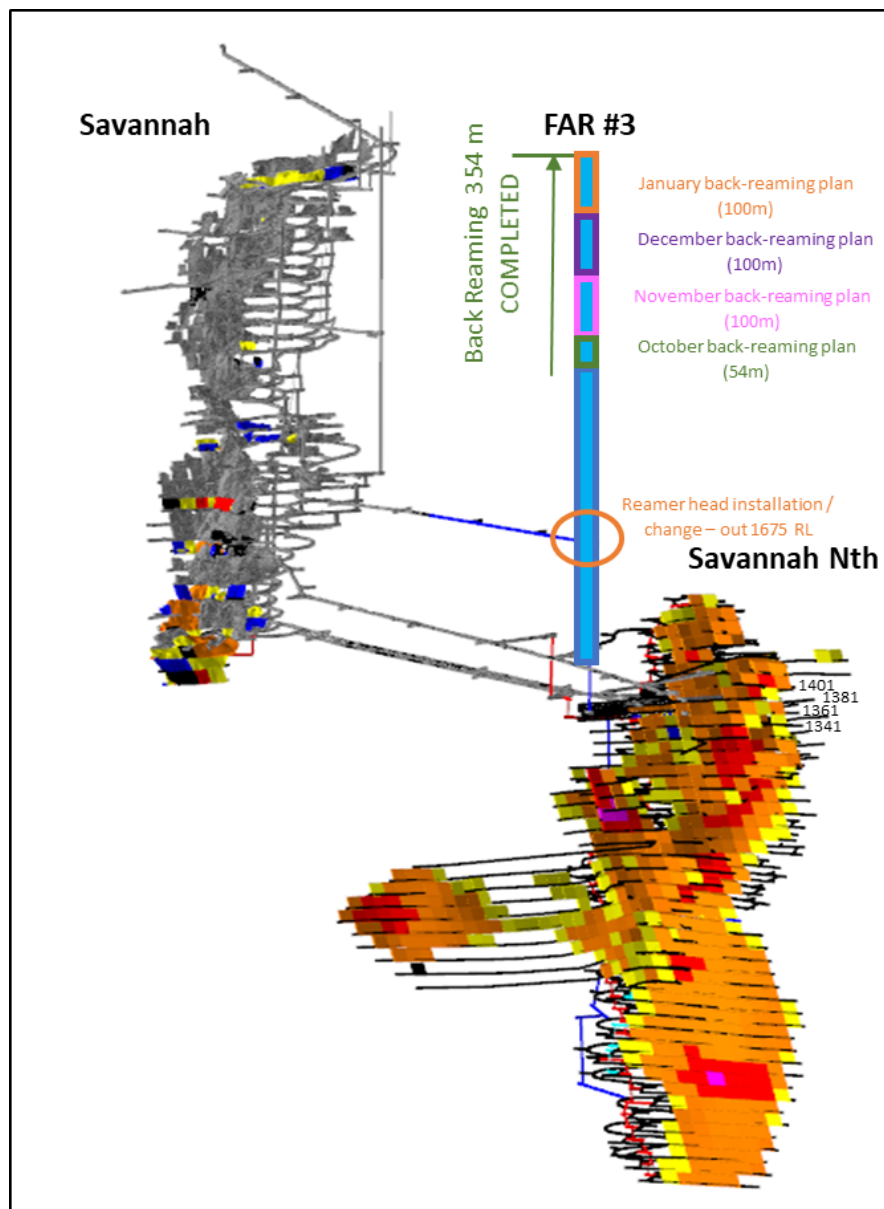
RUC Mining commenced back reaming of the remaining 354m of the FAR #3 raise on 18 October 2020, with the plan to achieve 3m/day in productivity at a diameter of 3.85m. The ground conditions encountered were optimal which, together with efficient operating practices, resulted in very high productivity. The FAR #3 raise was completed in December 2020 ahead of the original target of the March quarter 2021. During December, the RUC rig was demobilised, the top 30m of the raise was shotcreted for additional support and is in a ready state (Figure 2) to provide fresh air into the Savannah North mine.



*Figure 2: FAR #3 Breakthrough to surface (final product)*

FAR #3 will be the primary source of fresh air required to support future full-scale mining operations from Savannah North in line with the Mine Plan released in July 2020 (refer to ASX announcement 31 July 2020) (Figure 3).

**Figure 3: Savannah North FAR #3 and the four mining levels**



## Savannah North Underground Development

In August 2020, following completion of the horizontal underground development drive required for FAR #3, Barmingo commenced a capital development program designed to open a minimum of four levels in Savannah North. Barmingo successfully opened the 1401, 1381, 1361 and 1341 levels with all planned development completed during the quarter.

The remaining horizontal development in Savannah North will be undertaken at a future date following a decision to recommence operations by the Panoramic Board. While no restart decision has been made, negotiations with Barmingo are underway about accessing new equipment to support a potential restart in the second half of 2021.

## Savannah Capital Infrastructure Projects

Planning for four ancillary capital projects scheduled to commence in January 2021 was undertaken during the quarter. These projects, once completed, will further de-risk future operations at Savannah and consist of:

- Drilling of paste lines into Savannah North and installation of pipes;
- Surface power reticulation upgrade;
- Surface return air raise fan refurbishment, civil construction and installation; and
- Expanding and upgrading the mining administration office building.

These activities are scheduled to commence in January 2021 and are scheduled to take approximately six months to complete. These capital infrastructure projects have a total cost of A\$5.4 million and will be fully funded from existing cash reserves.

Completion of these works will support the Company's aim of having Savannah in a position to be ready to commence a rapid restart of nickel, copper and cobalt production in the second half of 2021.

## Exploration

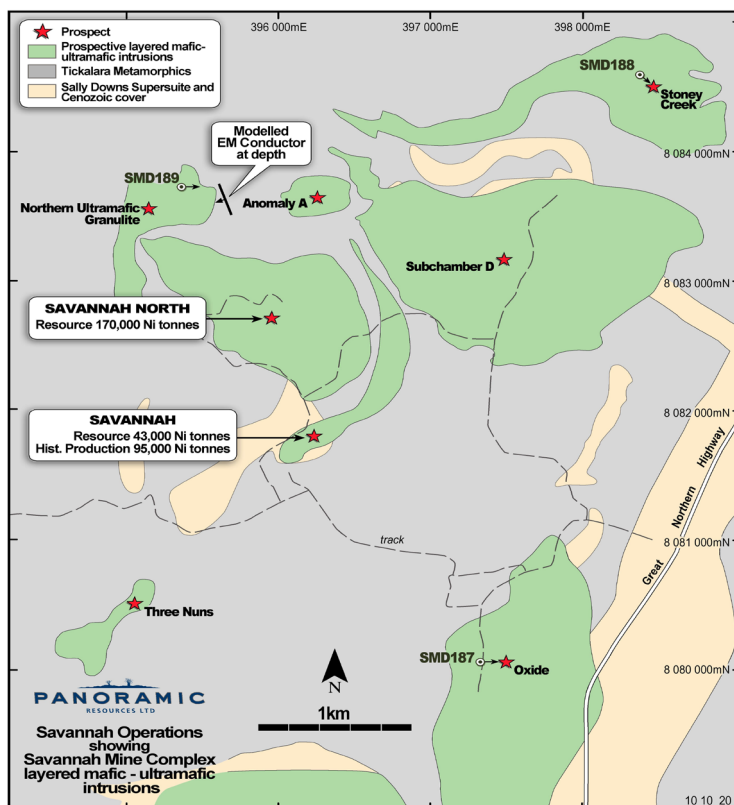
### Surface Exploration

As reported in the September quarterly report, Panoramic commenced a small surface exploration drill program at Savannah in September 2020.

The aim of the surface-based exploration program was to complete preliminary nickel prospectivity assessments and initial stratigraphic drilling of the previously untested Oxide, and Stoney Creek intrusions (Figure 4). In addition, the program aimed to test a previously identified but untested EM conductor located between the Northern Ultramafic Granulite and Anomaly A (Figure 4).

Both components of the surface program were completed during the quarter with the results reported in the Company ASX announcement dated 22 October 2020.

**Figure 4:** Savannah Plan showing prospective layered mafic-ultramafic intrusions and surface drill hole locations



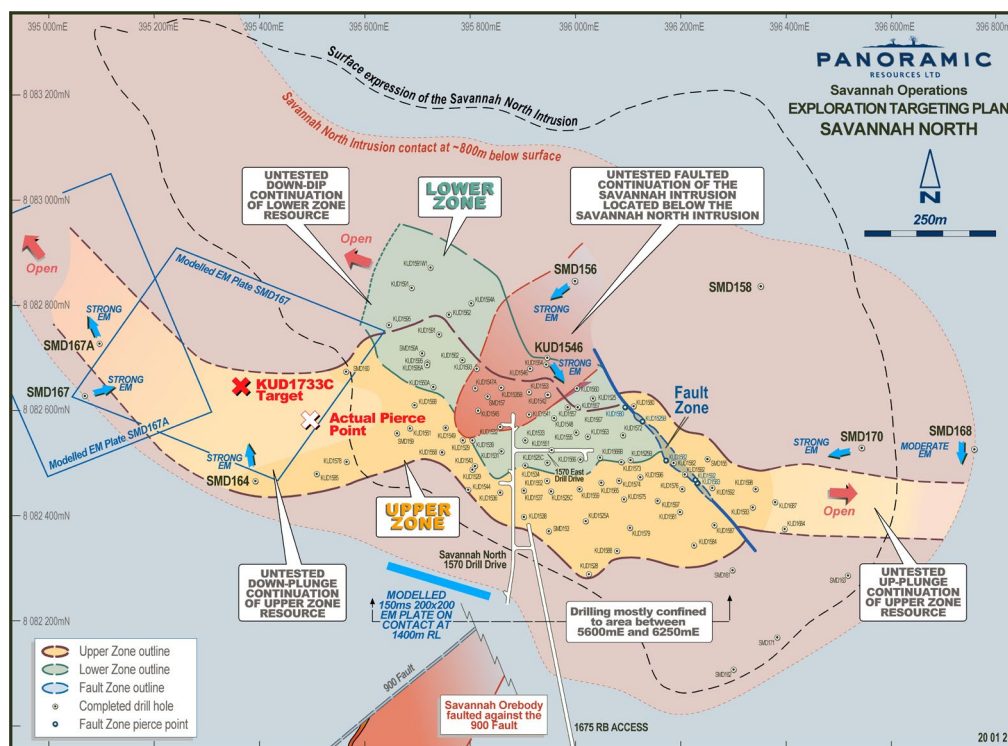
## Underground Exploration

As part of the 2020 exploration program at Savannah, a single underground diamond drill hole was completed during the quarter from the Savannah North 1570 Drill Drive. The drill hole, KUD1733C, was designed to test a series of strong, overlapping DHEM anomalies located immediately to the west of Savannah North which are interpreted to reflect the westward continuation of the Savannah North Upper Zone orebody (Figure 5).

The presence of these large, overlapping DHEM responses, is strong evidence for the potential of the Savannah North orebody to host additional resources of semi-massive to massive sulphide mineralisation in this area which, if confirmed by drilling, could significantly increase the Savannah North Project Mineral Resource and further expand the Savannah Mine Plan.

The completion of drill hole KUD1733C just before Christmas was hampered by delays and technical issues, most notably an uncharacteristic deviation trend which corrective actions failed to completely remedy. As a consequence, the hole failed to intersect the desired target position on Section 5350mE, instead falling short to penetrate the base of the Savannah North intrusion located about Section 5500mE (Figure 5).

Figure 5 – Savannah North Project showing position of KUD1733C relative to planned target



Between 505m and 552m depth, drill hole KUD1733C intersected two significant, strongly foliated dyke zones that can now be interpreted to define the position of the 500 Fault on Section 5500mN (Figure 6). On the underside of the lower dyke between 552m and 556m, several thin bands of high tenor remobilised massive sulphide mineralisation were intersected grading up to **3.08% Ni, 0.11% Cu and 0.16% Co**. The entire zone returned an intersection of **4.0m grading 0.85% Ni, 0.11% Cu and 0.05% Co**.

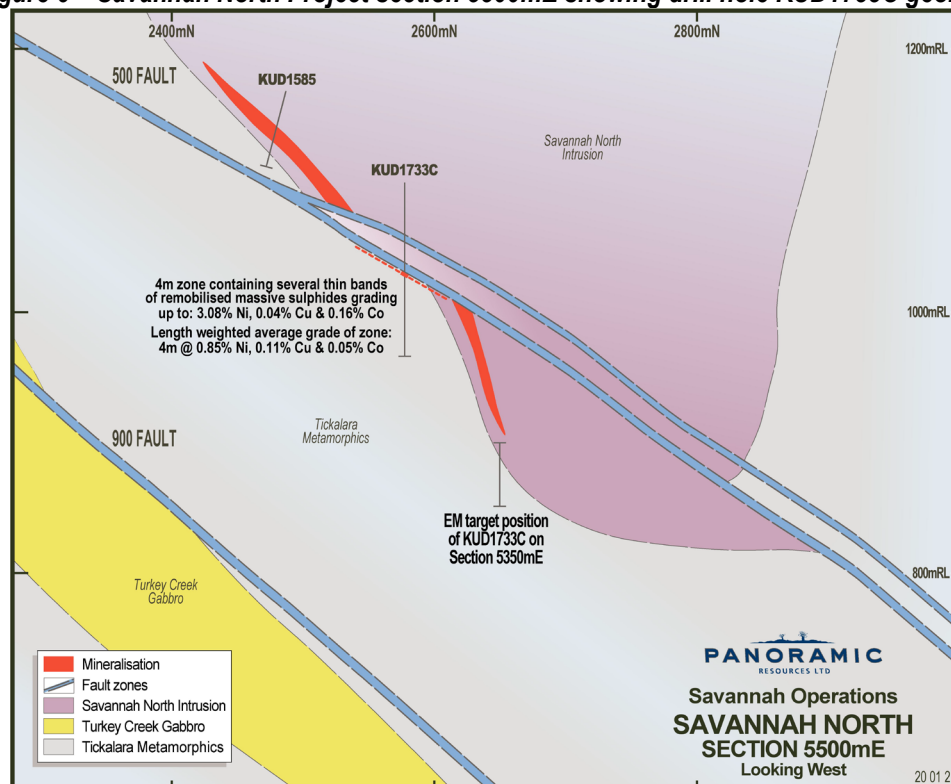
The intersection of the thin remobilised bands of massive sulphide mineralisation below the lower dyke is strong evidence that the 500 Fault has cut and offset the Savannah North Upper Zone orebody in this area and that the continuation of the orebody on Section 5500mE lies to the north (right) of drill hole KUD1733C below the 500 Fault as shown on Figure 6. This geological scenario presented here is identical to that which occurred higher up in the Savannah mine where the 500 Fault cut and offset the Savannah orebody.

**Importantly, the mixed results returned by drill hole KUD1733C does not in any way diminish the large strong DHEM that exists in this area of Savannah North and therefore continued drill testing is justified.**

The Company is reviewing options to further test this area in the future. One option under consideration is to develop a 1570 west drill drive, similar to the 1570 East Drill Drive that was developed in 2019 to facilitate the infill grade control drill program of the Savannah North orebody above 1250mRL. A similar west drill drive would substantially improve drill angles and reduce the length of holes required to test this important area of strong EM on the west side of Savannah North.

Details of drill hole KUD1733C referred to in this announcement are summarised in Table 1 in Appendix 1. The relevant JORC 2012 Compliance Tables are provided in Appendix 2.

**Figure 6 – Savannah North Project section 5500mE showing drill hole KUD1733C geology**



## Corporate

### Group Cash

Group cash (available and restricted \$250k) as at 31 December 2020 totaled \$29.8 million. The movement in the cash position during the quarter included the following key items:

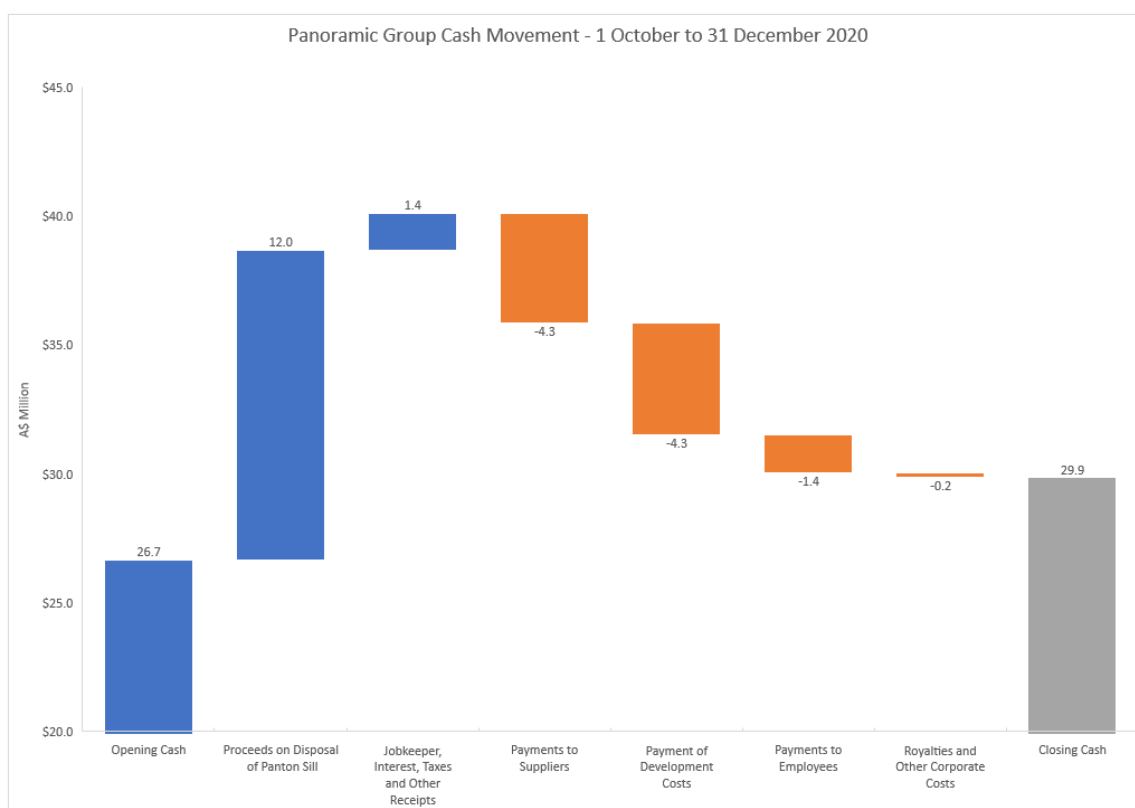
#### Inflows

- \$12.0 million proceeds from the sale of the Pantom PGM Project; and

#### Outflows

- \$9.2 million on Savannah site costs (capital/operating/resource definition drilling/suspension costs); and
- \$0.8 million on corporate and finance lease costs.

**Figure 7: Panoramic Cashflow Movement**



## Savannah North Project Funding

The Company is progressing discussions with reputable offtake parties in relation to the possibility of securing a prepayment facility of up to US\$30 million. The Company received several indicative term sheets during the quarter for this facility that are supportive of the Company’s aim to secure longer tenor debt (up to five years) with competitive terms (conditions and pricing) and no mandatory hedging obligations. The Company is also working with these parties on offtake terms for the period beyond February 2023. The Company will continue to progress these matters over the coming months and if successful, places the business in a good position to restart operations in the second half of 2021.

## Agreement to Divest Pantan PGM Project

In October Panoramic entered into a binding agreement (Agreement) to sell the Pantan PGM Project and associated tenements to Great Northern Palladium Pty Ltd (GNP) for up to A\$15 million (refer ASX announcement dated 12 October 2020). The Agreement is consistent with the Company’s intention to divest non-core assets and focus on the Savannah Nickel Project.

A non-refundable deposit was paid in October totaling A\$200,000. A further \$11.8 million was received in mid-December upon completion of the sale of 80% of the shares in Pantan Sill Pty Ltd (Pantan), a subsidiary which owns the Pantan PGM Project, to GNP. As per the terms of the Agreement, Panoramic has paid GNP’s financial advisor, CPS Capital, a fee of 2% of the purchase price.

GNP retains the right to purchase the remaining 20% of the shares in Pantan for a further A\$3 million cash payment.

## Investor Relations

During the quarter, Panoramic attended the Paydirt Nickel Conference in Perth and Diggers & Dealers Mining Forum in Kalgoorlie. A live webcast investor presentation was also made available to shareholders as part of the Company’s Annual General Meeting. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors.

## 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.

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 Hicks consents 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: 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 operations were 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 recommenced in August 2020. Completion of these works is expected to leave the Project in a position to be restarted in the second half of 2021.

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

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## Appendix 1

**Table 1 - Summary of Drilling Data**

*2020 Savannah Exploration Program – Tabulation of Drill Hole Data and Assay Results*

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept (Ni)	Cu (%)	Co (%)
KUD1733C	395862.8	8082572.7	1449.4	-48	272	638.8	552.2	556.2	<b>4.0m @ 0.85%</b>	<b>0.11</b>	<b>0.05</b>

## Appendix 2 – 2012 JORC Disclosures

**Savannah Project - Table 1, Section 1 - Sampling Techniques and Data**

Criteria	Comments
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Exploration holes about Savannah are typically diamond cored holes, sampled according to lithological/geological zones of interest.</li> <li>All diamond core is geologically logged with samples, if collected, typically between 0.2 metre to 1 metre long defined by geological contacts.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Diamond coring pertaining to this announcement was a combination of HQ and NQ2 size.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Diamond core recoveries are logged and recorded in the mine drill hole database. Overall recoveries are typically &gt;99% and there are no apparent core loss issues or significant sample recovery problems.</li> <li>Hole depths are verified against core blocks.</li> <li>Regular rod counts are performed by the drill contractor. Driller breaks are checked by fitting the core together.</li> <li>There is no apparent relationship between sample recovery and grade</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>All diamond holes are geologically logged in full. Geotechnical logging is also carried out for recovery and RQD.</li> <li>Recorded core logging attributes include lithology, colour, mineralisation, weathering, structure and other features.</li> <li>All core is photographed.</li> <li>All diamond core is metre marked and photographed wet prior to logging</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>All analytical core samples pertaining to this announcement were sawn half (NQ2) core samples.</li> <li>Sample sizes are considered appropriate to represent the Savannah style of mineralisation.</li> <li>SG determinations by water immersion technique were performed on all core samples destined for assay.</li> <li>All core sampling and sample preparation follow industry best practice.</li> <li>QC involved the addition of Savannah derived CRM assay standards, blanks, and duplicates. At least one form of QC is inserted in all sample batches.</li> <li>Sample preparation includes pulverising to 90% passing 75 µm.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>All samples analyses pertaining to this announcement were performed by SGS Laboratory Services in Perth. Sample preparation and assaying involved crushing and pulverising the sample to 90% passing 75µm followed by 4 acid total digest with ICP OES finish to determine Ni, Cu, Co, Fe, MgO, Mn, Al, Ti, Cr, As, S and Zr. No other analytical tools or techniques are employed.</li> <li>SGS uses internal standards, duplicates, replicates, blanks and repeats and carries out all appropriate sizing checks. External laboratory checks were not performed in this instance.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>Savannah mine drilling and sampling procedures have been inspected by many stakeholders since the project began.</li> <li>Throughout the life of the mine, there have been several instances where holes have been twinned, confirming intersections and continuity.</li> <li>Holes are logged into OCRIS software using Toughbook laptop computers before the data is transferred to SQL server databases. All drill hole and assay data are routinely validated by site personnel.</li> <li>No adjustments are made to assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>The diamond drill hole collar pertaining to this announcement was picked-up using Leica TS15, R1000 instrument by a registered surveyor.</li> <li>Downhole surveys were performed using an Axis Champ North Seeking Gyro instrument.</li> <li>Visual checks to identify any obvious errors regarding the spatial position of drill hole collars or downhole surveys are routinely performed in a 3D graphics environment using Surpac software.</li> <li>Coordinates are expressed in MGA GDA94 Zone 52 coordinates. RL equals AHD (m) plus 2,000m.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>The drill hole pertaining to this announcement was a single hole not part of the systematic pattern of drill holes.</li> </ul>

Criteria	Comments
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Where possible all drill holes at Savannah are designed to be drilled perpendicular to the mineralisation.</li> <li>No orientation sampling bias has been identified with the drill hole data pertaining to this announcement.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>Drill samples pertaining to this announcement were held in a secure location on site until road freighted to the Perth laboratory of SGS.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>No recent audits/reviews of the Savannah drill sampling protocols have been undertaken. The site procedures are considered to be of the highest industry standard. Mine to mill reconciliation records throughout the life of the Savannah Project provide confidence in the sampling procedures employed at the mine.</li> </ul>

## 2018 Savannah Exploration Program - Table 1, Section 2 - Reporting of Exploration Results

Criteria	Comments
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>The Savannah Project, incorporating the Savannah and the Savannah North deposits, is secured by five contiguous Mining Licences, ML's 80/179 to 80/183 inclusive. Surrounding the Mining Licences, Panoramic has several exploration tenements. All tenure is current and in good standing. Panoramic has the right to explore for all commodities within the mining and exploration tenements.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Since commissioning the Savannah Nickel Mine in 2004, Panoramic has conducted all recent exploration on the mine and surrounding exploration tenements.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>The Savannah Project is based on mining ores associated with the palaeo-proterozoic Savannah and Savannah North layered mafic-ultramafic intrusions. The Ni-Cu-Co rich sulphide ores at Savannah typically occur as "classic" magmatic breccias developed about the more primitive, MgO rich basal parts of the intrusions. Panoramic conducts exploration for similar style mineralisation through-out the East Kimberley region of Western Australia.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>Exploration conducted on the mine leases adopts the mine grid system, which is a "4 digit" truncated MGA grid. Conversion from local to MGA GDA94 Zone 52 is calculated by applying truncated factor to local coords: E: +390000, N: +8080000. RL equals AHD + 2,000m.</li> <li>Exploration conducted outside the immediate mine grid area utilises the MGA GDA94 Zone 52 coordinate system.</li> <li>For drill hole details pertaining to this release including collar setup details see the Tabulation of Drill Hole Data table above in Appendix 1.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>All analytical drill intercepts pertaining to this announcement are based on sample length by SG by grade weighted averages using a 0.5% Ni lower cut-off, a minimum reporting length of 1m and maximum 2m of consecutive internal waste.</li> <li>Cu and Co grades are reported for the same Ni grade interval defined above using the same weighting procedures.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>All intersection lengths reported are down-hole lengths and not True Widths.</li> <li>Where reported, estimates of True Width are stated only when the geometry of the mineralisation with respect to the drill hole angle is sufficiently well established.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Based on the level of data currently available, it is Panoramic's view that a simplified plan and sectional view showing the location of the drill hole pertaining to this announcement is appropriate.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Based on the level of work being reported on, Panoramic considers the announcement is appropriately balanced.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>No other exploration data is considered substantive for inclusion at this stage.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The exploration result reported herein is part of a continuous campaign of exploration conducted by Panoramic to explore for Savannah style mineralisation within the Savannah and Savannah North mine areas. Further disclosures will be made when additional information becomes available.</li> </ul>