Panoramic Resources Limited

ABN: 47 095 792 288

ASX Code: PAN

Financial Report for the financial year ended 30 June 2022

This Financial Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period: Financial Year Ending 30 June 2022

Previous Reporting Period: Financial Year Ending 30 June 2021

Panoramic Resources Limited
Appendix 4E
For the financial year ended 30 June 2022

Results for announcement to the market (Final Report)

	2022 $'000	2021 $'000	Change $'000	Change %
Revenue from ordinary activities	90,394	139	90,256	100%
Profit / (Loss) after tax from ordinary activities	6,260	295	5,965	100%
Profit / (Loss) after tax attributable to members	6,260	295	5,965	100%

Dividends

No final dividend to shareholders has been declared by the Company for the financial year ended 30 June 2022. For the full financial year ended 30 June 2022, no dividends were declared and paid to shareholders.

Net Tangible Assets Per Share

	30 June 2022	30 June 2021
Net tangible asset backing ($ per share)	0.12	0.10
Number of ordinary shares on issue used in the calculation of net tangible assets per share (number)	2,050,914,004	2,050,914,004

Entities over which control has been gained or lost during the period

i. The Company did not gain control of any entity during the period; and
ii. The Company did not divest or loose control of any entity during the period.

Commentary on the result for the period

Factors contributing to the above variances and the results for the financial year are as follows:

Revenue and other income for ordinary activities

The Company's Savannah Nickel Project located in the East Kimberley of Western Australia restarted operations in the financial year having spent the prior year in care and maintenance.

Underground mining commenced in July 2021 with ore treatment and concentrate production commencing in October 2021. The first shipment of concentrate was despatched from the Port of Wyndham on 26 December 2021. In the period since the restart to 30 June 2022, 37,545dmt of concentrate was sold and shipped comprising contained metal totalling 2,716t of nickel, 1,745t of copper and 174t of cobalt. Concentrate and shipping revenue for the financial year totalled $90.4 million (2021: nil) from sales to the Company's offtake partner Sino Nickel PTY LTD and Jinchuan Group Co. LTD.

Profit / (Loss) after tax from ordinary activities and Profit / (Loss) after tax attributable to members

Factors contributing to the result for the financial year are detailed and discussed in the "Operating and Financial Review" section of the Directors' Report for the financial year ended 30 June 2022, which accompanies this Final Report.

The Group recorded a profit after tax for the year ended 30 June 2022 of $6,260,000 (2021: profit after tax of $295,000). The results for the year reflect the re-commencement of operations at the Savannah Nickel Project from July 2021 and the ongoing ramp up of operations. Prior year activities comprised care and maintenance work and capital development activities undertaken to de-risk the re-start of the Savannah Project.

The Savannah Nickel Project achieved commercial production from 1 April 2022, the financial results for the year ended 30 June 2022 reflect this transition.

Emphasis of matter

This Final Report is based on accounts which have been audited by the consolidated entity's Independent Auditor and which contain an Independent Auditor's Report that is subject to an emphasis of matter about the consolidated entity's ability to continue as a going concern. Note 2(a) of the "Notes to the Consolidated Financial Statements" describes the conditions that indicate the existence of material uncertainty that may cast doubt on the consolidated entity's ability to realise its assets and discharge its liabilities in the normal course of business.

Other information required by Listing Rule 4.3A

All the disclosure requirements pursuant to ASX Listing Rule 4.3A are contained within Panoramic Resources Limited's Consolidated Financial Statements for the year ended 30 June 2022 which accompany this Final Report.

ABN 47 095 792 288

Directors

Nicholas Cernotta	Independent Non-Executive Chair
Victor Rajasooriar	Managing Director and Chief Executive Officer
Peter Sullivan	Non-Executive Director
Rebecca Hayward	Independent Non-Executive Director
Gillian Swaby	Independent Non-Executive Director

Company Secretary

Susan Park	Company Secretary

Registered Office and Principal Place of Business

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Tel: +61 8 6374 1700
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Web: www.panoramicresources.com

Share registry

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Perth WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033
Email: cis-ar@computershare.com.au

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000
Australia

Home Exchange

Australian Securities Exchange
Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code

Panoramic Resources Limited shares are listed on the Australian Stock Exchange (ASX).
The Company's ASX Code is: PAN

The Directors present their report on the consolidated entity (referred to as the Group) consisting of the parent entity, Panoramic Resources Limited (Panoramic or the Company), and the entities it controlled at the end of, or during, the year ended 30 June 2022 (the reporting period) and the auditor's report thereon.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below.

Name	Period of Directorship
Mr Nicholas Cernotta *Independent Non-Executive Chair*	Appointed 2 May 2018, Chair from 25 May 2020
Mr Victor Rajasooriar *Managing Director & Chief Executive Officer*	Appointed 11 November 2019
Mr Peter Sullivan *Non-Executive Director*	Appointed 1 October 2015
Ms Rebecca Hayward *Independent Non-Executive Director*	Appointed 21 June 2018
Ms Gillian Swaby *Independent Non-Executive Director*	Appointed 8 October 2019

The qualifications, experience, other directorships and special responsibilities of the Directors in office for the financial year ending 30 June 2022 and up to the date of this report are detailed below.

Nicholas Cernotta, age 60	**Independent Non-Executive Chair**
Qualifications	B.Eng (Mining)
Experience	Mr Cernotta is a mining engineer with over 35 years' experience in the mining industry, spanning various commodities and operations in Australia and Overseas. Nick has held senior executive roles with extensive operational experience in both the public and private sectors of the mineral resources industry, including as Director of Operations at Fortescue Metals Group Ltd, Chief Operating Officer at MacMahon Contracting and Director of Operations at Barrick Gold.
Other current listed company directorships	Northern Star Resources Limited - Non-Executive Director (since 1 July 2019) New Century Resources Limited - Non-Executive Director (since 28 March 2019) Pilbara Resources Limited - Non-Executive Director (since 6 February 2017)
Former listed company directorships in last three years three years	No prior directorships
Special responsibilities	Member of the Remuneration Committee Member of the Risk and Sustainability Committee

Victor Rajasooriar, age 47	Managing Director and Chief Executive Officer
Qualifications	B.Eng (Mining), AusIMM,MAICD
Experience	Mr Rajasooriar is a mining engineer with more than 25 years' operations and technical experience in multiple disciplines across both underground and open pit operations. Victor was Managing Director and CEO of Echo Resources Limited prior to its takeover by Northern Star Resources Limited in September 2019. Prior to joining Echo, Victor held the role of Chief Operating Officer for leading underground mining contractor, Barminco. He was also the Managing Director of Breakaway Resources Limited and held senior operational positions for a range of mining companies including Newmont, Grange Resources and Bass Metals.
Former listed company directorships in last three years three years	Echo Resources Limited - Managing Director (October 2018 to September 2019) Horizon Gold Limited - Non-Executive Chair (20 November 2019 to 9 April 2020)
Special responsibilities	Member of the Risk and Sustainability Committee

Directors (continued)

Peter Sullivan, age 66	**Non-Executive Director**
Qualifications	BE, MBA
Experience	Mr Sullivan holds a Bachelor of Engineering degree from the University of Western Australia and an MBA from the Australian Graduate School of Management. Mr Sullivan has been involved in the management and strategic development of resource companies and projects for more than 30 years in Australia and overseas. His work experience includes periods in project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. Mr Sullivan previously held the role of Managing Director at Resolute Mining Limited for 14 years and was subsequently appointed a Non-Executive Director.
Other current listed company directorships	Copper Mountain Mining Corporation - Non-Executive Director (since 30 October 2020) Horizon Gold Limited - Non-Executive Chair (since 7 July 2020) Zeta Resources Limited - Non-Executive Chair (since 7 June 2013) GME Resources Limited - Non-Executive Director (since 1 October 2004), Non-Executive Chair (since 20 March 2017), Managing Director (24 June 1996 to 1 October 2004)
Former listed company directorships in last three years	Resolute Mining Limited - Non-Executive Director (30 June 2015 to 27 May 2021), Managing Director (14 February 2001 to 30 June 2015)
Special responsibilities	Chair of the Remuneration Committee. Member of the Audit and Governance Committee

Gillian Swaby, age 62	**Independent Non-Executive Director**
Qualifications	BBus, FAICD, FGIA, AAusIMM
Experience	Ms Swaby is an experienced mining executive with over 35 years' experience in the resources sector and has a broad skillset across a range of corporate, finance and governance areas having held senior roles including Chief Financial Officer, Company Secretary, Director and corporate advisor. Ms Swaby worked at Paladin Energy Limited between 1993 and 2005, including 10 years as an executive director, at a time when that uranium company was growing rapidly through mine development, operation, acquisition, and exploration in multiple African countries.
Other current listed company directorships	Deep Yellow Limited - Executive Director (since 29 June 2017) Comet Ridge Limited - Non-Executive Director (since 9 January 2004)
Former listed company directorships in last three years	No prior directorships
Special responsibilities	Chair of the Audit and Governance Committee Member of the Remuneration Committee

Rebecca Hayward, age 40	**Independent Non-Executive Director**
Qualifications	LLB
Experience	Ms Hayward is an experienced infrastructure and resources lawyer, with a strong background in mining, energy and large scale infrastructure transactions. Ms Hayward is currently the global head of contracts, procurement and supply chain for Fortescue Future Industries. Ms Hayward was a Senior Associate at Clayton Utz in the Melbourne Construction and Major Projects team, where she had a role in a number of large infrastructure projects for both the private and public sectors.
Other current listed company directorships	No other current directorships
Former listed company directorships in last three years	No prior directorships
Special responsibilities	Chair of the Risk and Sustainability Committee Member of the Audit and Governance Committee

Company Secretary

Susan Park	**Company Secretary**
Qualifications	B.Com, ACA, FFin, FGIA, FCG, GAICD
Experience	Ms Park has 25 years' experience in the corporate finance industry and extensive experience in Company Secretarial and Non-Executive Director roles with ASX, AIM and TSX listed companies. Ms Park's is the founder and Managing Director of boutique consulting firm Park Advisory which specialises in the provision of corporate governance and company secretarial advice to ASX listed companies and has held senior executive roles at Ernst & Young and PricewaterhouseCoopers in their Corporate Finance divisions and at BankWest in their Strategy and Ventures division.

Committee structure and membership

Members acting on the committees of the Board as at the date this report are set out below.

Audit and Governance Committee	Remuneration Committee	Risk and Sustainability Committee
G. Swaby (Chair)	P. Sullivan (Chair)	R. Hayward (Chair)
R. Hayward	N. Cernotta	N. Cernotta
P. Sullivan	G. Swaby	V. Rajasooriar

The company secretary acts as the secretary on each of the committees of the Board.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director are detailed below:

			Meetings of Committees					
	Board Meetings		Audit and Governance		Remuneration		Risk and Sustainability	
	A	B	A	B	A	B	A	B
N. Cernotta	9	9	-	-	3	3	2	2
V. Rajasooriar	9	9	-	-	-	-	2	2
P. Sullivan	9	9	3	3	3	3	-	-
R. Hayward	9	9	3	3	-	-	2	2
G. Swaby	9	9	3	3	3	3	-	-

A Number of meetings attended.

B Number of meetings held during the time the Director held office or was a member of the relevant committee during the year.

1 Independent non-executive director Ms G. Swaby is Chair of the Audit and Governance Committee and the members of the committee are independent non-executive director Ms R Hayward and non-executive director Mr P Sullivan

2 Non-executive director Mr P. Sullivan is chair of the Remuneration Committee and the members of the committee are independent non-executive director Ms G. Swaby and independent chair of the board Mr N. Cernotta

3 Independent non-executive director Ms R. Hayward is chair of the Risk and Sustainability Committee and the members of the committee are independent chair of the board Mr N. Cernotta and Managing Director Mr V. Rajasooriar.

Directors' Interests

Interests in the shares of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares of Panoramic Resources Limited were:

	Number of Ordinary shares	Performance rights over ordinary shares
Nicholas L Cernotta	107,500	
Victor Rajasooriar	1,791,666	11,409,301 (1)
Peter Sullivan	-	-
Rebecca Hayward	107,500	-
Gillian Swaby	107,500	-

(i) Does not include an award of rights to Mr Rajasooriar (Managing Director) post 30 June 2022 totalling 2,837,838 that is subject to shareholder approval at the Company's upcoming 2022 annual general meeting of shareholders.

Securities

Options

At the date of this report, unissued ordinary shares of the Company under option are:

Number of Options	Exercise Price	Expiry Date
28,520,525	$0.16	30 June 2023

Performance Rights

On 3 September 2021 the Company issued 3,570,406 performance rights to employees. These performance rights are subject to performance conditions to 30 June 2024 and expire on 30 June 2026.

On 20 October 2021, following shareholder approval, the Company issued 3,992,813 performance rights to the Managing Director and CEO Mr Victor Rajasooriar. These performance rights are subject to performance conditions over the period to 30 June 2024 and expire on 30 June 2026.

Performance Rights (continued)

No shares were issued on exercise of performance rights during the year. A reconciliation of performance rights outstanding at the date of this report appears below.

	Number of rights
Rights outstanding at 30 June 2021	11,434,302
Rights issued during the year)	7,563,219
Rights vested during the year	-
Rights lapsed during the year	-
Rights forfeited during the year	(1,164,033)
Rights issued post year end(i)	5,377,969
Rights forfeited post year end	-
Rights outstanding at the date of this report(ii)	23,211,457

(i) Includes an award of rights to Mr Rajasooriar (Managing Director) totalling 2,837,838 that is subject to shareholder approval at the Company's upcoming 2022 annual general meeting of shareholders. These LTI awards will be subject to testing including the Company's performance against total shareholder return measures. The awards have a three-year performance period ending on 30 June 2025.

Dividends

No final dividend has been declared for the financial year ended 30 June 2022 (2021: nil):

Principal activities

The principal activities of the consolidated Group during the year were:

- Production and sale of nickel concentrate, containing copper and cobalt by-products from the Group's 100% owned Savannah Nickel Mine in Western Australia.
- Exploration, evaluation and development of mineral tenements and projects in Western Australia.

Operational and financial review

Financial Performance

The Group's performance during the financial year ended 30 June 2022 and for the four previous financial years, are set out in the table below. The financial results shown below were prepared under the Australian Accounting Standards.

Year Ended 30 June		**2022**	**2021**	**2020**	**2019**	**2018**
Revenue and other income	$'000	91,242	10,677	80,345	27,885	1,714
Cost of sales of goods	$'000	(65,760)	-	(87,000)	(20,900)	
Royalties	$'000	(4,869)	-	(3,402)	(1,904)	
Exploration and evaluation expenditure written off	$'000	(844)	(945)	(484)	(671)	(487)
Care and maintenance expenses	$'000	-	(11,442)	(619)	(847)	(5,474)
Fair value change of financial assets	$'000	4,745	(121)	(190)	(1,511)	-
Corporate and marketing costs	$'000	(6,102)	(5,656)	(7,695)	(4,929)	(4,022)
Other income / (expenses)	$'000	1,525	(956)	(15,864)	2,273	114
EBITDA (before impairment)	**$'000**	**19,937**	**(8,443)**	**(34,909)**	**(604)**	(8,155)
Depreciation and amortisation	$'000	(8,152)	(5,028)	(18,656)	(7,039)	(430)
Net impairment reversal / (impairment) of assets	$'000	-	14,187	(27,063)	18,255	(38,511)
Finance costs	$'000	(5,525)	(422)	(7,260)	(1,383)	(943)
Profit / (Loss) before tax	$'000	**6,260**	**295**	**(87,888)**	**9,229**	(48,039)
Income tax (expense) / benefit	$'000	-	-	-	-	-
Net Profit / (Loss) after tax	**$'000**	**6,260**	**295**	**(87,888)**	**9,229**	(48,039)
Earnings / (Loss) per share	cents	0.3	0.0	(8.8)	1.4	(9.1)
Dividends per share	cents	-	-	-	-	-
Market capitalisation	$'000	420,437	307,637	166,124	163,307	304,788
Closing share price	$ per share	0.205	0.15	0.081	0.295	0.620
Return on equity	%	1.8	0.1	(31.2)	4.6	(26.8)

Note (1): Comparative information has not been restated for the impact of *AASB 9 Financial Instruments, AASB 15 Revenue from contracts withcustomers (adopted in 2019)* and *AASB 16 Leases (adopted in 2020).*
Note (2): EBITDA (before impairment) is non-IFRS information and has not been audited by the Company's auditor, Ernst & Young (EY). The table above shows how it is reconciled to the Consolidated Income Statement. EBITDA (before impairment) has been included for the purpose of reconciling earnings without impairment.

The Group recorded a profit after tax for the year ended 30 June 2022 of $6,260,000 (2021: profit after tax of $295,000). The results for the year reflect the re-commencement of operations at Savannah Nickel Project from July 2021. Prior year onsite activities compromised care and maintenance and capital works undertaken to de-risk the restart of the project. The Savannah Nickel Project achieved commercial production from 1 April 2022, the financial results for the year ended 30 June 2022 reflect this transition.

Revenue and other income

Revenue includes concentrate sales and other income. Total revenue increased by $90.4 million when compared to the prior year.

Concentrate revenue is subject to a quotational period (QP) adjustment in a defined period following shipment and provisional invoicing. A QP adjustment may arise in future months where the final sales value of the shipment differs from the provisional revenue received. Where there is a difference, either the Company or the offtake partner is required to financially settle this amount. The value of the unrealised QP loss adjustment included in revenue as at 30 June 2022 totals $9.764 million and results from a net decrease in commodity prices during the quotational period.

Operational and financial review (continued)

Revenue and other income (continued)

The following table provides a breakdown of concentrate revenue by commodity.

Revenue breakdown by commodity	30 Jun 2022 %	30 Jun 2021 %
Revenue from sales of nickel	79.6	-
Revenue from sales of copper	12.8	-
Revenue from sales of cobalt	7.6	-
	100.0	**-**

There was no revenue from concentrate sales in the prior year as the project was on care and maintenance.

Other income totalled $2,665,000 (2021: $10,158,000) which included the sale of obsolete inventory totalling $240,000. Prior year income included a gain on the sale of the subsidiary Panton Sill Pty Ltd $7,659,000, gain on the sale of shares in listed investments Horizon Gold Limited and GME Resources Limited $870,000, JobKeeper income $1,279,000, interest and other income of $869,000.

Cost of production

Costs of goods sold were incurred during the year totalling $78.78 million (2021: nil) which resulted from the recommencement of operations at the Savannah Nickel Project. For the period 1 July 2021 to 31 March 2022 the project returned to operations in stages across mining, processing, concentrate handling and paste fill production. During this time, the project was in the pre-commercial production stage of its return to full production. Commercial production was achieved from 1 April 2022 when the project demonstrated the required performance at steady or increasing levels on a sustained basis. At this time, the capitalisation of certain operating costs ceased and amortisation of mine properties commenced.

The project was in care and maintenance in the prior financial year and did not incur any cost of sales.

Royalties

Government royalties are levied at a rate of 2.5% on the contained metals sold for nickel, copper and cobalt in concentrate. A traditional owner royalty is also payable on concentrate revenue net of certain off site logistic and transportation costs.

The combined cost of these royalties on the concentrate sold during the year totalled $4.87 million (2021: nil). There were no concentrate sales in the prior financial year and no royalty costs were incurred.

Exploration and evaluation

For the year ended 30 June 2022 the Group's exploration and evaluation expenses totalled $0.844 million (2021: $0.945 million). The increase in expenditure coincides with the Savannah Nickel Project's return to production. Exploration activities include near mine and regional work on areas of interest where reserves have not yet been established. These areas include Stoney Creek and Northern Ultramafic Granulite.

Care and maintenance costs

There was no expenditure on care and maintenance activities during the year (2021: $16.111 million). A decision was made in April 2021 approving the restart of operations at the Savannah Nickel Project. The return to production commenced with the start of underground mining operations in July 2021. As a result, care and maintenance activities ceased in the prior financial year. During the prior financial year, capital works were undertaken to progress the de-risking of the project for a restart. The capitalised cost of these activities totalled $13.611 million and included the successful completion of raise bore works for the FAR#3 ventilation shaft, underground level development within the Savannah North orebody, paste fill infrastructure (on surface and underground), and surface electrical and ventilation works.

Corporate and other costs

Corporate and other costs of $6.618 million (2021: $6.992 million) were lower than the previous reporting period, and result from costs associated with the restart of operations at the Savannah Nickel Project.

Depreciation and amortisation

Amortisation of mine properties and depreciation of property, plant & equipment and right-of-use assets commenced from 1 April 2022 following the achievement of commercial production at the Savannah Nickel Project. Initial amortisation and depreciation of these assets resulted in an expense of $8.668 million for the three months to 30 June 2022. Other assets not subject to pre-commercial production accounting treatment were depreciated or amortised for the full year.

Operational and financial review (continued)

Depreciation and amortisation (continued)

The following table shows the carrying value of assets that are subject to depreciation or amortisation charges.

	Carrying value June 2022 $000	Carrying value June 2021 $000	Depreciation and amortisation during the year $000
Mine properties	193,566	136,076	4,588
Plant and equipment, including assets under construction	25,686	25,711	1,499
Right-of-use assets	29,819	4,195	2,581
	249,071	**165,982**	**8,668**

Impairment

In the financial year ended 30 June 2020, a net impairment loss of $27.063 million was recorded. This comprised an impairment of $32.948 million which was recorded against the nickel cash generating unit as a result of the suspension of operations at the Savannah Nickel Mine, netted off against an impairment reversal relating to the disposal of the Thunder Bay North PGM Project totalling $5.332 million.

On 6 April 2021, the Company announced to the ASX that a decision to re-start operations at the Savannah Nickel Project in the second half of CY2021 had been made. The decision was underpinned by a combination of improving commodity and foreign exchange pricing and the completion of de-risking capital project works on site. The decision to restart operations at the Savannah Nickel Project was considered to be a reversal indicator for impairment losses recognised in prior periods and, as such, a formal estimate of the recoverable amount of the nickel cash generating unit (CGU) was performed at 30 June 2021. The financial assessment inclusive of updated commodity and foreign exchange prices together with appropriate sensitivity analysis indicated that the valuation supported an impairment reversal totalling $14.186 million at 30 June 2021.

An impairment assessment was undertaken at 30 June 2022 which considered the progress made with the ramp-up of production at the Cash Generating Unit (CGU) together with updated capital and operating costs, improvements in commodity prices and foreign exchanges rates for AUD:USD. The assessment concluded that there were no indicators of impairment for the year ended 30 June 2022 and no requirement to recognise an impairment charge. There were reversal indicators with respect to prior year impairment charges (not yet reversed). A financial model was prepared to assess the valuation of the CGU. The results from the model concluded that the valuation supported the carrying value of the CGU at 30 June 2022. As a result, no impairment reversal was recognised in the financial year. Refer to Note 22 for further information on Impairment.

Finance costs

Finance expenses increased in the current year to $5.525 million (2021: $0.422 million). The higher costs result from the following.

Interest on leases increased by $0.84 million due to the addition of new right of use assets during the year.

Foreign exchange losses increased by $3.08 million as a result of the revaluation of USD borrowings (Trafigura debt) and USD trade receivables (concentrate sales).

Interest on debt and borrowings together with facility fees and charges increased by $1.139 million resulting from interest costs on the US$30.0 million secured loan facility with Trafigura Pte Ltd that was drawn down on 24 September 2021. Interest costs $1.098 million were capitalised to mine properties during the Savannah Nickel Project pre-commercial production stage. From 1 April 2022 these charges totalling $0.769 million were expensed to profit and loss.

Tax expense

The Group has not brought to account net deferred tax assets as it's not probable as at 30 June 2022 that the Group will generate sufficient future taxable profit to utilise the unrecognised net deferred tax asset. The value of unutilised tax losses not brought to account at 30 June 2022 totals $68.46 million (2021: $70.51 million).

Financial Position

The net assets of the Group have increased by $6.9 million to $173.6 million (2021: $166.7 million) during the reporting period.

Net working capital - current assets less current liabilities

As at 30 June 2022 the Group had a working capital deficit of $3.41 million (2021: nil) The deficit includes a current liability for scheduled debt repayments totalling US$4.95 million to paid over the period August 2022 to June 2023. Concentrate produced in the month of June 2022 was not sold by year end. Available and unsold concentrate stocks at 30 June 2022 totalled 4,923dmt containing 344t nickel, 182t copper and 26t cobalt, which is higher as a result of the planned June shipment arriving late, departing Wyndham on 9 July 2022 with a concentrate cargo of 6,438dmt. The provisional value of this shipment was US$9.97 million, of which a substantial portion of the sale value is on account of June 2022 concentrate production.

Operational and financial review (continued)

Cash balance

Group cash on hand at 30 June 2022 was $21.8 million (2021: $24.2 million). The change in cash during the year reflects the staged recommencement of operations at the Savannah Nickel Project where production output has not yet reached design, cost escalation due to inflation and market conditions, impact of COVID-19 absenteeism on the workforce, offset in part by higher commodity prices and lower AUD:USD foreign exchange rates. The delayed departure of the June 2022 scheduled concentrate shipment to 9 July 2022 impacted cash on hand by transferring the provisional invoice cash inflow totalling US$9.97 million from late June 2022 to mid-July 2022.

Trade and other receivables

Trade and other receivables include the final instalment from the sale of the Thunder Bay North Project (sold in the 2020 financial year), this amount is due to be received in May 2023.

Inventories

Current inventories increased in the reporting period by $12.3 million to $12.8 million. The recommencement of operations at the Savannah Nickel Project has required an increase in stock holdings for consumables, parts, equipment and diesel fuel. Inventories also include unsold concentrate stocks on hand totalling $9.34 million (2021: nil), the higher value is the result of the delayed concentrate shipment (scheduled for June 2022) that departed Wyndham on 9 July 2022.

Derivative financial instruments

The Group actively manages USD nickel price risk for each concentrate shipment by protecting a portion of the nickel cash flow received from provisional invoicing (up to 80% of the payable volume in each shipment). Outstanding USD nickel derivatives (forward contracts) at 30 June 2022 total 900t, representing 50% of the contained metal in shipments that have not been finalised. The average derivative price achieved for these shipments is US$27,942/t. The carrying value of derivative financial instruments represent the mark to market gain on unsettled USD nickel forward derivative contracts. The unrealised gain on these derivatives as at 30 June 2022 is A$5.0 million (2021: nil).

Mine properties

The Company invested a total of $65.55 million in mine development activities during the year. This includes Savannah Nickel Project expenditure for underground mine development totalling $22.58 million and the capitalisation of pre-commercial production costs totalling $42.97 million. Mine property amortisation commenced 1 April 2022 following the achievement of commercial production at the Savannah Nickel Project. For the period 1 April 2022 to 30 June 2022 these charges totalled $0.769 million.

Property, Plant and equipment, including assets under construction

The carrying value of property, plant and equipment, including assets under construction, is $25.69 million (2021: $25.71 million) at the end of the year. Additions for the year totalled $7.78 million with major items of expenditure comprising processing plant refurbishment $0.94 million, waste water treatment plant $0.51 million. Offsetting additions were depreciation charges for the year totalling $1.49 million.

Right-of-use (ROU) assets

The carrying value of right-of-use (ROU) assets has increased by $25.62 million to $29.82 million at the end of the year. Additions for the year totalled $30.93 million with major additions comprising Barminco mining equipment, buses, loaders and fuel storage system. Offsetting additions were depreciation charges for the year totalling $2.72 million.

Net Tax Balances

At balance date, the Group had an unrecognised deferred tax asset value of $68.46 million (2021: $70.5 million). Until such time as the Savannah Nickel Project is expected to generate future taxable profit, this asset will not be recognised in the consolidated statement of financial position.

Provisions

Total current and non-current provisions for the Group have decreased by $2.55 million to $21.73 million as at 30 June 2022. The Group's provisions predominately relate to future mine rehabilitation activities see Note 24, and employee entitlements for long service and annual leave. The decrease in the value in the reporting period is due to the change in the discount rate applied to the mine rehabilitation provision.

Capital Structure

The debt to equity ratio (borrowings on contributed equity) at 30 June 2022 was 22% (2021: 2%).

<u>Cash Flows</u>

Operating activities

Net cash from operating activities was $26.21 million inflow (2021: $17.42 outflow) for the year. Cash inflows received from the sale of concentrate net of QP adjustments and derivative settlements totalled $80.84 million (2021: nil). Concentrate cash inflows were received from four shipments comprising 37,545dmt of concentrate.

Operational and financial review (continued)

Investing activities

Net cash outflow from investing activities was $58.98 million (2021: $11.50 million inflow) for the financial year. This included payments for property, plant and equipment of $4.69 million and payments for mine development of $56.23 million. A deferred settlement instalment totalling $1.65 million was received in May 2022 from the sale of the Thunder Bay Project.

Financing activities

Net cash from financing activities totalled $30.29 million inflow (2021: $1.00 million outflow). During the year, the Company received US$30.0 million in funding from the first tranche of the secured loan facility with Trafigura Group Pte LTD (Trafigura). Debt service cash outflows totalled $1.94 million for the year largely comprising interest costs on the Trafigura debt facility. Other financing outflows included the repayment of lease liabilities and interest (under AASB 16 Leases - right of use assets) totalling $10.06 million.

COVID-19 Business Response

In response to COVID-19 the Company developed a specific COVID-19 management plan and implemented a range of measures to minimise the risk of potential transmission of COVID-19 to the Company's employees and the communities in which it operates. The COVID-19 border controls in Western Australia during the financial year have impacted labour accessibility and increased associated costs for the Savannah Nickel Project. Workforce absenteeism continues to be an operational challenge due to COVID-19. In response to this, the Company modified its short term mine plan activities and production forecasts. The Savannah Nickel Project's return to design production levels had not been achieved by the end of the financial year. Given the potential for ongoing operational impacts from COVID-19, the Company plans to continue the ramp-up of production volumes to full design over the period to June 2023.

Safety Performance

The Total Recordable Injury Frequency Rate (TRIFR) for the Group at the end of the 30 June 2022 was 4.5 compared with 16.4 in FY2021. The improvement in the reporting period is due to the continued development of safety systems and the ongoing focus by management on work practices, behaviours and education within the workforce.

Review of Operations - Savannah Nickel Project

The Savannah Nickel Project located in the East Kimblery of Western Australia restarted operations in July 2021 having spent the prior year in care and maintenance. The Savannah project has a 11-year mine life with clear potential to further extend this through ongoing exploration.

Overview

Underground mining commenced in July 2021, ore treatment commenced in October 2021 with processing activities producing concentrate for the first time in that month. First concentrate shipment was achieved in December 2021.

Key production achievements for the 12 months to 30 June 2022 are summarised in the table below:

FY2022 Key Production Statistics	Tonnes	Grade (% Ni)	Contained Nickel (t)	Contained Copper (t)	Contained Cobalt (t)
Mined ore	404,155	1.05	4,256	2,175	250
Milled ore	398,952	1.05	4,207	2,183	264
Concentrate produced (dmt)	42,692	7.13	3,044	1,908	205
Concentrate sales (dmt)	37,545	7.23	2,716	1,745	174

The Savannah Nickel Project was accounted for on a commercial production basis in the June 2022 quarter for the first time since restarting the operation. The transition to commercial production was achieved 1 April 2022 (ASX announcement 20 July 2022). Total site expenditure for the quarter net of by-product credits was $38.8 million.

Savannah operating C1 expenditure (cash basis net of by-product credits) for the quarter was $24.3 million, which results in a C1 cash cost per pound of payable nickel of $14.02/lb.

Costs were impacted during the quarter by ongoing tight labour availability, inflationary cost pressures and COVID-19 related costs and workforce absenteeism. Unit costs reflect the impact of these external issues combined with lower than design production performance resulting from the continuation of ramp up activities in the underground mine.

Expenditure on sustaining capital inclusive of plant & equipment and mine development totalled $6.3 million, which results in a AISC unit cost per pound of payable nickel of $17.63/lb.

Growth expenditure and on-mine exploration costs were $8.2 million which results in an AIC unit cost per pound of payable nickel of $22.35/lb.

Operational and financial review (continued)

Underground Mining

Underground development and ore production commenced at the Savannah Nickel Project in July 2021 which was ahead of the August 2021 planned commencement that was announced to the Australian Stock Exchange (ASX) on 6 April 2021. Mining activities are being undertaken by leading underground mining contractor Barminco, a subsidiary of Perenti Global Limited (ASX:PRN), with which the Company has executed a four-year contract worth approximately $280 million. By the end of December 2021 the required mining fleet to be supplied by Barminco had been fully mobilised to site.

A total of 404,155 tonnes of ore was mined during the year comprising grades of 1.05% Ni, 0.54% Cu and 0.07% Co. Ore was sourced from both Savannah remnants ore reserve (54% or 216,109t ore) and Savannah North (46% or 188,046t ore). Total material movement (ore and waste) for the year was 678,155t. Mine production in the July to October 2021 period delivered 102,000t of ore to the ROM stockpile ahead of the commencement of processing. This stockpile was drawn down during the December quarter, supplemented by fresh ore from underground.

The first Savannah North stope was mined during the December quarter comprising 15,550t ore @ 1.22% Ni, 0.51% Cu and 0.09% Co.

The following table shows the quarterly physicals achieved since the commencement of mining in July 2021.

Area	Details	Units	Sep Qtr 2021	Dec Qtr 2021	Mar Qtr 2022	Jun Qtr 2022	FY2022
Mining	Jumbo development	m	1,121	1,235	1,160	1,255	4,771
	Ore mined	dmt	102,070	76,416	108,266	117,403	404,155
	Ni grade	%	1.01	1.03	1.10	1.06	1.05
	Ni Metal contained	dmt	1,035	788	1,191	1,242	4,256
	Cu grade	%	0.59	0.57	0.54	0.47	0.54
	Co grade	%	0.06	0.07	0.05	0.07	0.07

During the March quarter jumbo development in the Savannah decline recommenced for the first time since 2016. This work will setup platforms to allow grade control drilling to commence below the historical workings of the Savannah orebody as well as provide the initial development infrastructure to setup future production areas. In addition resource definition and exploration drilling can be undertaken from improved locations.

Paste filling of the first Savannah North stope was successfully completed in the March 2022 quarter. A second stope in the Savannah North orebody was successfully filled with paste in the June 2022 quarter. As a result, this progress sets up for the first time, three production levels in the Savannah North orebody which will become active work areas (ore producing) in the September 2022 quarter. Since the commissioning of the paste plant a total of 37,490m^3 of paste has been delivered into stopes during the year.

During the six-month period to December 2021 the mining schedule was modified to reflect labour accessibility issues stemming from border controls in Western Australia. As a result, the focus of the site team shifted to maintaining development rates whilst lowering the planned ore production from stopes. The impact of this change on processing was mitigated by the ore stockpiling strategy implemented since the restart of underground mining in July 2021. Since the reopening of the West Australian border in the March 2022 quarter, workforce levels within the underground mining department have improved however numbers continue to be impacted by the demands within the industry and absenteeism from the increase in COVID-19 cases in the WA community. This has impacted mine productivity as the return to planned production rates from the modified schedule has been slower than expected.

Processing

In August 2021, the Company executed a three-year $34 million contract with leading mineral processing and engineering specialists Primero Group Pty Ltd (Primero), a subsidiary of NRW Holdings Limited (ASX:NWH). Primero is responsible for the restart, operation and maintenance of the existing ore processing plant and non-processing infrastructure at the Savannah Nickel Project. Primero completed the requisite preparatory works on the processing plant throughout September and October 2021 which resulted in the plant being commissioned three weeks ahead of schedule. The first nickel-copper-cobalt concentrate was produced in October 2021 (ASX announcement 20 October 2021).

Ore milled during the year totalled 398,952t @ 1.05% Ni, 0.54% Cu and 0.07% Co. Nickel recoveries improved over the year achieving a December 2021 quarter average of 63.59% increasing to a June 2022 quarter average of 76.12%. The nickel recovery rate for the year was 72.34%. Recoveries for copper and cobalt increased over the course of the year and were in line with expectations with the June quarter average achieving 90.50% copper and 81.62% cobalt.

Concentrate produced during the year totalled 42,692dmt grading 7.13% Ni, 4.47% Cu and 0.48% Co. The contained metal in concentrate totalled 3,044t of nickel, 1,908t of copper and 205t of cobalt. All concentrate produced in the year was in compliance with the required offtake specifications and limits.

Operational and financial review (continued)

Processing (continued)

The following table shows the quarterly physicals achieved since the commencement of processing in October 2021.

Area	Details	Units	Sept Qtr 2021	Dec Qtr 2021	Mar Qtr 2022	June Qtr 2022	FY2022 YTD
Milling	Ore milled	dmt	-	123,682	148,709	126,561	398,952
	Ni grade	%	-	0.99	1.12	1.05	1.05
	Cu grade	%	-	0.55	0.59	0.48	0.54
	Co grade	%	-	0.06	0.07	0.07	0.07
	Ni recovery	%	-	63.59	75.43	76.12	72.34
	Cu recovery	%	-	82.19	91.71	90.16	88.53
	Co recovery	%	-	71.40	81.17	82.34	78.46
Concentrate Production	Concentrate	dmt	-	11,115	17,498	14,079	42,692
	Ni grade	%	-	7.01	7.18	7.16	7.13
	Ni Metal contained	dmt	-	779	1,256	1,009	3,044
	Cu grade	%	-	5.03	4.58	3.89	4.47
	Cu Metal contained	dmt	-	559	802	547	1,908
	Co grade	%	-	0.48	0.46	0.51	0.48
	Co Metal contained	dmt	-	53	81	71	205

Treatment plant performance progressed in accordance with the production ramp-up plan, with ore grade reconciliation in line with expectations. Plant availability and utilisation improved over the year to June 2022. A planned eleven day shutdown was undertaken in April 2022 to complete repairs and programmed maintenance including a major re-line of the mill the first since the restart. The shutdown was completed on time achieving the completion of the planned work.

Cambridge Gulf Limited (CGL) was awarded the road haulage contract to cart concentrate from the mine at Savannah to the port of Wyndham where the Company maintains a purpose-built storage shed and loading facility. CGL commenced operations at the end of October 2021. Concentrate hauled for the year totalled 46,393 wet metric tonnes (wmt). This was achieved safely and without incident.

Port Operations and Shipments

On 26 December 2021, the Company completed loading the first concentrate ship comprising a total cargo of 10,865 wet metric tonnes (wmt) (10,029dmt) of nickel-copper-cobalt concentrate. During the year a total of four shipments were completed which resulted in the sale of concentrate totalling 37,545dmt containing 2,716t of nickel, 1,745t of copper and 174t of cobalt.

The concentrate produced in June 2022 was sold in July 2022 with the ship leaving Wyndham on 9 July 2022.

As at 30 June 2022, two shipments comprising 18,547dmt had been subject to quotation period (QP) pricing, final invoicing and settlement.

At the end of the year unsold concentrate stocks on hand totalled 3,567wmt at the port and 1,926wmt at the mine site.

The following table shows the quarterly physicals achieved since the commencement of shipping in December 2021.

Area	Details	Units	Sept Qtr 2021	Dec Qtr 2021	Mar Qtr 2022	June Qtr 2022	FY2022 YTD
Concentrate Shipments	Concentrate	dmt	-	10,029	18,039	9,477	37,545
	Ni grade	%	-	7.02	7.21	7.46	7.23
	Ni Metal contained	dmt	-	704	1,300	712	2,716
	Cu grade	%	-	5.05	4.60	4.21	4.64
	Cu Metal contained	dmt	-	506	831	408	1,745
	Co grade	%	-	0.48	0.44	0.48	0.46
	Co Metal contained	dmt	-	48	80	46	174

Operational and financial review (continued)

Commercial Production

The Savannah Nickel Project achieved commercial production from 1 April 2022 when the project demonstrated the required performance at steady or increasing levels on a sustained basis.

In making this assessment the Company considered several factors, these included:

- When the mine is substantially complete i.e. constructed, installed and / or refurbished and ready for its intended use;
- The mine has the ability to sustain ongoing production at a steady or increasing level;
- The mine has reached a level of pre-determined production being a substantial percentage of design capacity;
- Mineral recoveries are at or near the expected production level; and
- A reasonable period of testing of the mine, plant and equipment has been completed.

Derivatives

The Group actively manages USD nickel price risk for each concentrate shipment by protecting a portion of the nickel cash flow received from provisional invoicing. The Group's policy allows nickel derivative protection (forward contracts) up to 80% of the estimated payable volume in each shipment. This leaves the Company with a modest exposure to movements in the nickel price. The intent of these derivatives are to manage metal pricing risk and cash flow during the period from provisional invoice / cash receipt through to final invoice following the QP.

During the year, the Company executed USD forward contracts with Macquarie Bank for 1,686t of nickel metal achieving an average price of US$25,064/t.

As at 30 June 2022 outstanding derivatives total 900t and represent 50% of the contained metal in shipments that have not been finalised. The average price achieved for these unsettled derivatives is US$27,942/t.

The following table shows the delivery profile for unsettled derivatives at 30 June 2022.

Nickel Derivatives		**Jul-22**	**Sep-22**	**Oct-22**
Volume	t	410	370	120
Settlement Price	US$/t	29,414	27,897	23,055

The unrealised mark to market gain on these derivatives at 30 June 2022 is A$5.0 million (2021: nil).

Subsequent to 30 June 2022, a further 150t of nickel derivatives has been executed at an average price of US$22,258/t, these derivatives settle in October 2022.

Savannah Nickel Project – in mine exploration activities

In the September 2021 quarter, the first grade control drill program at Savannah North was undertaken from the 1381 footwall drive to facilitate final stope designs for the 1381 production level. The grade control drill program, which was completed during August, involved 20 drill holes for a total of 912 drill metres with 597 samples collected and submitted for assay. The 1381 grade control drill results confirmed the strong and continuous nature of the Savannah North mineralisation in this area of the mine. The 1381 production level commenced stope production in late October 2021.

In the December 2021 quarter, a grade control drilling program was completed at Savannah North targeting the 1401, 1381 and 1361 levels. These holes were drilled from the footwall drive to facilitate final stope designs for the 1361, 1381 and 1401 production levels. The program involved 67 drill holes for a total of 2,946m drill metres with 1,848 samples collected and submitted for assay. The 1361, 1381 and 1401 grade control drill results confirmed the strong and continuous nature of the mineralisation in the upper zone of Savannah North.

In the March 2022 quarter, a broad spaced resource definition drilling program between the 1250 and 1500 RL levels in the central and western margins of the Savannah North Resource was completed. The objective of the drilling is to provide the framework for mine development and stopping in the central and western part of the Savannah North Resource. The area currently hosts a zone of Inferred Resource which is included in the Savannah Mine Plan. A total of 24 drill holes for 6,889 drill metres were completed with 981 samples collected and submitted for assay. Thick zones of mineralisation were returned from assays which support future mining in this area of the mine. Drilling was also conducted to infill and test extensions to the eastern zone of the Savannah North resource. The first hole in this program, was completed in the 1381 Drill Drive East and was designed to test the northerly trending Upper Mineralisation Lens in this area. A mineralised intersection was achieved at the target depth of 63.2m in addition to an unanticipated 5.7m zone of semi-massive breccia sulphide mineralisation near the start of hole from 3.3m downhole now known as the Upper Splay.

Savannah Nickel Project – in mine exploration activities (continued)

In the June 2022 quarter grade control drilling within Savannah was restricted to a series of short stab holes in the 1465 development level. Eleven holes were drilled at the western end of the development drive to better define marginal LOM stopes planned between the 1465 and 1490 Levels. A new resource definition drilling program commenced to test and infill the poorly drilled area of the Savannah orebody located immediately below historical workings and above the 900 Fault. Results from the initial drill fan of four holes completed above the 900 fault from the 1425 drill cuddy have returned significantly thicker mineralisation intercepts than predicted by the current Savannah resource model for this area of the orebody.

Corporate Activities Review

The Company is limited by shares and is domiciled and incorporated in Australia.

Significant events of the consolidated entity during the year ended 30 June 2022 of a corporate nature were as follows:

Debt funding

On 29 September 2021, the Company advised the ASX that it had received US$30.0 million in funding from the first tranche of the secured loan facility with Trafigura Group Pte LTD (Trafigura). The drawdown followed the completion of all conditions precedent in early July 2021 (ASX announcement 2 July 2021) under the US$45.0 million secured loan facility. The loan facility comprises two tranches.

The first tranche is a five-year Prepayment Loan Facility (PLF) totalling US$30.0 million which was fully drawn in late September. The second tranche is a US$15.0 million Revolving Credit Loan Facility (RCF) which was undrawn and available to the Company at 30 June 2022.

The PLF has a five-year term through to 31 July 2026. Debt service under this tranche is interest only during the period to 31 July 2022, thereafter loan repayments commence based on a fixed schedule. These scheduled repayments are sculpted to align with project cash flows.

The RCF is available for the period through to 24 March 2023 being 18 months from the drawdown of the PLF. The Company can drawdown the RCF at its election and repay this facility at any time without penalty. On 24 August 2022 the Company announced to the ASX that it had commenced a US$15.0 million drawdown from the RCF. Proceeds from the drawdown were received on 30 August 2022. See Note 32 Subsequent Events for further detail. The loan facility incurs interest based on the three-month LIBOR as a base interest rate, plus an interest margin. Once LIBOR settings cease to be published, the interest payable will be based on an alternative benchmark in accordance with the terms of the PLF.

There are no conditions subsequent under the loan facility and there is no requirement for mandatory commodity price hedging.

As a result of the drawdown of the PLF, the five-year nickel-copper-cobalt concentrate offtake agreement for the period February 2023 to February 2028 with Trafigura became unconditional. This agreement commences on the expiry of the existing offtake agreement with Jinchuan.

Thunder bay North PGM Project

On 15 May 2020, the Company completed the sale of all the shares in the Panoramic PGMs (Canada) Limited (PAN PGMs) to Clean Air Metals (formerly Regency Gold Corp). PAN PGMs owned a 100% interest in the Thunder Bay North PGM Project situated in Northern Ontario, Canada. The purchase agreement for this transaction included in part, sale consideration to be received on a deferred basis totalling C$4.5 million. This was due to be received by the Company in three equal instalments on the first, second and third anniversaries of the completion of the sale. On 9 May 2022, the Company received C$1.5 million being the second anniversary instalment. The final deferred consideration payment of C$1.5 million is due to be received in May 2023.

Regional exploration

In May 2022 a regional surface exploration drilling program commenced following the conclusion of the Kimberley wet season. The focus of the drill program was to test previously modelled electromagnetic conductors at both the Stoney Creek and Northern Ultramafic Granulite intrusions. Two surface exploration diamond drill holes, targeting previously identified electromagnetic (EM) conductors at Stoney Creek and the Northern Ultramafic Granulite were completed during the June 2022 quarter for a total of 1,260 drill metres. A third hole, designed to further assess the prospectively of the Northern Ultramafic Granulite was also completed at a depth of 452 metres, bringing the total drilled metres for the quarter to 1,712 metres with a total of 57 samples. Downhole electromagnetic surveys are planned for the first half of the 2023 financial year.

There were no other significant regional exploration activities during the year.

Business And Financial Risks

Operational Risks

Operational disruptions and natural hazards

The Savannah Nickel Project located in East Kimberley of Western Australia is the Group's sole operating project and profitable operating segment and exposes the Group to concentration risk.

The Group's operations are subject to uncertainty with respect to (without limitation): ore tonnes, mined grade, ground conditions, metallurgical recovery or unanticipated metallurgical issues (which may affect extraction costs), infill resource drilling, mill performance, failure of tailings facilities, transportation and logistics issues, the level of experience of the workforce, regulatory changes, safety related incidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, natural events such as storms, floods or bushfires.

The Group mitigates these risks by employing appropriately qualified technical personnel and experienced managers that utilise formalised operating practices, processes and procedures. Continual monitoring of the underground environment is undertaken to identify change that may require action and the Group engages specialist consultants when technical issues are identified outside available internal skills and experience.

Panoramic's maintenance and processing teams have developed robust procedures and practices to ensure they are operating the Savannah processing plant with minimal disruption and at high throughput levels.

Reliance on contractors

As is common in the mining industry, many of the Group's activities are conducted using contractors. The Group's operational and financial results are impacted by the performance of contractors, their efficiency, costs and associated risks.

The Group engages with reputable contractors who have the technical and financial capability to execute required contract work and actively manages its contractors, working within relevant agreements. Embedded performance structures in contracts ensure that the Group appropriately mitigates risks of non-performance by contractors, while maintaining shareholder value.

COVID-19

The COVID-19 pandemic and its various management and operational challenges have tested Panoramic's business, its people and culture. As the COVID-19 pandemic continues to evolve, there are emerging risks and uncertainty that could adversely impact our business. These risks include, but are not limited to, interruptions to supply chains, travel restrictions and border closures, adverse impacts to our people's health and wellbeing, workforce availability and material delays to project timelines.

The Group will continue to monitor the effects of the pandemic and develop appropriate protocols, in line with the formal guidance of health authorities, to limit the risk to our people and impacts on operations. The Savannah Nickel Project, has been able to maintain critical consumables and spares, while preserving our supply chains, sales routes and customer contracts.

Further disclosures around the potential impact of COVID-19 are contained in the Review of Operations and in the notes to the financial statements.

Environmental regulation and performance

The Group is committed to minimising the impact of its operations on the environment, with an appropriate focus placed on ongoing monitoring of environmental matters and compliance with environmental regulations. The Group holds environmental licenses and is subject to environmental regulation in respect of its activities in Australia. The Board is responsible for monitoring environmental exposures and compliance with these regulations and is committed to achieving a high standard of environmental performance. The Board believes that the Group has adequate systems in place for the management of its environmental requirements. Compliance with the environmental regulations is managed through the integrated Environmental Management System, supported by policies and operational management plans, standard work practices and guidelines. During the financial year, Panoramic has submitted numerous environmental reports and statements to regulators detailing Panoramic's environmental performance and level of compliance with relevant instruments.

Panoramic complies with the National Greenhouse and Energy Reporting Act 2007 (Cth), under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities for the year ended 30 June 2022 and future periods. Panoramic is committed to proactively managing energy use and reducing greenhouse gas emissions wherever practical.

Panoramic responsibly and safely manages tailings and has an established management system to assess, monitor and mitigate risks accordingly. Panoramic manages one active tailings storage facility at the Savannah Nickel Project.

There have been no significant known breaches of the Group's licence conditions or any environmental regulations during the financial year.

Strategic Risks

Exploration

Panoramic's ability to achieve its strategic initiatives are impacted (in part) by the Group's ability to discover new mineral prospects. Exploration activities are speculative in nature and often require substantial expenditure on exploration surveys, drilling and sampling as a basis on which to establish the presence, extent and estimated grade (metal content) of mineralised material.

Once mineralisation is discovered, it may take several years to determine whether adequate Ore Reserves and / or Mineral Resources exist to support a development decision and to obtain necessary ore body knowledge to assess the technical and economic viability of the mining project. During that time the economic viability of the project may change due to fluctuations in factors that affect both revenue and costs, including metal prices, foreign exchange rates, the required return on capital, regulatory requirements, tax regimes and future cost of development and mining operations. These factors are uncertain and could have an impact on revenue, cash and other operating results, as well as the process used to estimate Mineral Resources and Ore Reserves.

Mineral Resources, Ore Reserve and Mine Life

The estimation of the Group's Mineral Resources and Ore Reserves involve subjective judgements regarding a number of factors (but not limited to) analysis of drilling results, associated geological and geotechnical interpretations, metallurgical performance evaluation, mining assessment, operating cost and business assumptions as well as a reliance on commodity price assumptions. As a result, the assessment of Mineral Resources and Ore Reserves involve areas of significant estimation and judgement. The ultimate level of recovery of minerals and commercial viability of deposits cannot be guaranteed.

The mine life of the Group's operation is based on the Mineral Resources and Ore Reserves estimate which heavily dictates the financial and operational performance of the Group.

As at the date of this report, the Savannah Nickel Project's mine life based on the most recent Ore Reserve and mine inventory extends to June 2033.

The Group's Ore Reserves and Mineral Resources estimates are reported in accordance with the 2012 Joint Ore Reserve Committee (JORC) Code and estimated by Competent Persons as defined by the JORC Code. The Group employs Competent Persons to complete Group estimates and in certain circumstances, independent Competent Persons are also used to compile or verify estimates for the Group.

Fluctuations in commodity prices and foreign exchange currency

The Group's revenues and cash flows are largely derived from the sale of nickel, copper and cobalt. For the 2022 financial year, Savannah derived approximately 79.6% of its revenue from the sale of nickel, copper and cobalt contained within concentrate. The financial performance of Panoramic is exposed to fluctuations in the market price for these commodities.

Fluctuations in metal prices can occur due to numerous factors beyond Panoramic's control, including macroeconomic and geopolitical factors (such as financial and banking stability, global and regional political events and policies, changes in inflationary expectations, interest rates and global economic growth expectations), speculative positions taken by investors or traders and changes in supply and demand for nickel, copper and cobalt. Material and / or prolonged declines in the market price of these commodities could have a material adverse effect on the Group's business, results of operations and financial position.

The Group is an Australian business that reports in Australian dollars. However, Panoramic's revenue is derived from the sale of commodities that are priced in US dollars, though the majority of costs, as they relate to the Savannah Nickel Project, are primarily denominated in Australian dollars. The impact of exposure to movements in foreign exchange rates (particularly, AUD:USD) cannot be predicted reliably.

The Group has an active derivatives policy to mitigate USD commodity price risks with respect to sold nickel in concentrate. The application of the derivative policy has been in the form of quotational period (QP) derivatives via USD nickel swaps to fix the price of sales at the time of shipment, therefore reducing the short term exposure to the market price of nickel for completed or imminent shipments. Details of the derivatives executed during the 2022 financial year are included in the Review of Operations and Note 16.

Risk Management

Other business risks can have an impact on the profitability of the consolidated entity. The recognition, management and control of these risks are key elements of the Group enterprise-wide risk management framework, as detailed in the Corporate Governance Statement.

Significant changes in the state of affairs

In the opinion of the Directors there were no other significant changes in the state of affairs of the Group that occurred during the financial year, other than those described in this report under 'operational and financial review'.

Significant events after the balance date

On the 24 August 2022 the Company announced to the ASX it had commenced a US$15.0 million drawdown from the Revolving Credit Facility (RCF) held with Trafigura Pte Ltd. Proceeds from the drawdown were received on the 30 August 2022. Following the drawdown, the RCF will be fully drawn. Funding under this revolving facility is held for a period of three months where it is either repaid (fully or partially) or rolled over on a cashless basis for a further three month period. The Company continues to experience material changes in the timing of shipments and therefore concentrate revenue as a result of the ongoing tightness in shipping (sea freight) markets. The availability and arrival of ships when required continues to provide challenges in managing short-term working capital funding. The likely late arrival of the planned shipment in August 2022 has required the Company to draw on the RCF in order to manage changes in the short-term working capital funding position of the business.

Likely developments and expected results

The Group will continue to monitor developments and impacts from the COVID-19 pandemic to our operations and business practices. Further comments on likely developments and expected results of operations of the Group are included in this financial report under 'operational and financial review'.

Indemnification and insurance of Directors, Officers and Auditors

Indemnification

The Company indemnifies each of its Directors and Officers, including the Company Secretary, to the maximum extent permitted by the Corporations Act from liability to third parties and in defending legal and administrative proceedings and applications for such proceedings, except where the liability arises out of conduct involving lack of good faith.

The Company must use its best endeavours to insure a Director or Officer against any liability, which does not arise out of a conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavour to insure a Director or Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal. The Directors of the Company are not aware of any such proceedings or claim brought against Panoramic Resources Ltd as at the date of this report.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). However, the indemnity does not apply to any loss in respect of any matters which are finally determined to have resulted from Ernst & Young's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during or since the end of financial year.

Insurance premiums

During the financial year, the Company has accrued and / or paid premiums in respect of contracts insuring all the directors and officers against legal costs incurred in defending proceedings. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, both civil and criminal and whatever the outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The terms of the insurance contract are confidential and do not permit the disclosure of insured amounts, the premium cost for the policies or any other condition.

Corporate Governance Statement

The Board of Panoramic Resources Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices and the 2022 Corporate Governance Statement is set out on the Company's website at https://panoramicresources.com/corporate-governance/.

Environmental Regulation and Performance

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its development, mining and exploration activities. The Group's management monitors compliance with the relevant environmental legislation. The Directors are not aware of any serious breaches of the legislation during the period covered by this report.

Rounding

The amounts contained in this financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of Panoramic Resources Limited with an Independence Declaration in relation to the audit of the Financial Report for the year ended 30 June 2022. This Independence Declaration is attached to the independent auditor's report and forms part of the Directors' Report.

Non-audit services

There were no non-audit services provided to the Group by the Company's auditor, Ernst & Young during the year.

Remuneration report (audited)

1. Remuneration report overview

The Directors of Panoramic Resources Ltd present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2022. This Report for the Group forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001.*

The Report details the remuneration arrangements for Panoramic's key management personnel (KMP) and include:
- the Company's Non-Executive Directors (NEDs); and
- the Group's Executive Directors and Senior Executives (collectively the Executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

The table below outlines the KMP of the Group and their movements during FY2022.

Name	Position	Term as KMP
Non-Executive Directors		
Nicholas Cernotta	Independent Non-Executive Chair	Full financial year
Peter Sullivan	Non-Executive Director	Full financial year
Rebecca Hayward	Independent Non-Executive Director	Full financial year
Gillian Swaby	Independent Non-Executive Director	Full financial year
Executive Director		
Victor Rajasooriar	Managing Director and Chief Executive Officer	Full financial year
Senior Executives		
Grant Dyker	Chief Financial Officer	Full financial year

2. How remuneration is governed

2.1 Remuneration Committee

The Remuneration Committee (Committee) consists of at least three members and operates under a Board-approved Charter. Non-committee members, including the MD, only attend meetings of the Committee at the invitation of the Committee Chair as appropriate, and do not vote on matters before the Committee.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing and committed senior executive team.

2.2 Remuneration Philosophy

The performance of the company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

In fulfilling its role, the Committee is specifically concerned with ensuring that Panoramic's remuneration framework will:
- Provide competitive rewards to attract and retain high calibre executives;
- Link executive rewards to shareholder value and Company profits;
- Structure a significant portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance hurdles; and
- Establish appropriate and demanding performance hurdles in relation to 'at risk' executive remuneration

More details on the Company's governance framework including Board committee structures and related committee charters are available on the Corporate Governance page of the Company's website at www.panoramicresources.com.

2.3 Remuneration structure

In accordance with best practice corporate governance, the remuneration structure of the NEDs, and senior management is separate and distinct.

2.4 Remuneration advisors

The Committee has access to adequate resources to perform its duties and responsibilities, including the authority to seek and consider advice from independent remuneration professionals to ensure that they have all of the relevant information at their disposal to determine KMP remuneration.

The Committee has established protocols to ensure that if remuneration recommendations, as defined by the Corporations Act 2001, are made by independent remuneration advisors they are free from bias and undue influence by members of the KMP to whom the recommendations relate. The Committee directly engages the remuneration consultants (without management involvement) and receives all reports directly from the remuneration consultants.

2. How remuneration is governed (continued)

2.4 Remuneration advisors (continued)

The Remuneration Committee engaged Guerdon Associates in July 2021 to provide remuneration advice on aspects of the executive remuneration framework and the design of the FY2023 LTI scheme for the Group's Executive. For this remuneration advice, Guerdon Associates were paid a fee of $19,435 (ex GST). The Remuneration Committee had access to remuneration benchmarking and market data when making its remuneration decisions.

Following receipt of the advice and recommendations from the advisor and the ensuing discussions with the Remuneration Committee, the final design and approval of the executive remuneration framework including the LTI scheme for both financial years 30 June 2022 and 30 June 2023 was made solely by the Company's Non-Executive Directors, therefore the Board is satisfied that there was no undue input or influence by any member of the Executive.

2.5 Securities Trading Policy

Panoramic Securities Trading Policy provides clear guidance on how Company securities may be dealt with and applies to the NEDs, Executives and all other personnel of the Company including employees and contractors.

The Securities Trading Policy details acceptable and unacceptable periods for trading in Company securities including the consequences of breaching the policy. The policy also sets out a specific governance approach for how Directors and Executives can deal in Company securities.

The policy can be found on the Corporate Governance page of the Company's website at www.panoramicresources.com.

3. Executive remuneration

3.1 Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- reward executives for Company and individual performance against pre-determined targets;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and the performance of the Company; and
- ensure total remuneration is competitive by market standards.

3.2 Structure

In determining the level and composition of executive remuneration, the Remuneration Committee takes into consideration the operational and economic circumstances the Company is facing and likely to face in the medium term together with the current market levels of remuneration for comparable executive roles.

It is the Remuneration Committee's policy that employment contracts are entered into with the Managing Director and other KMP. Details of these KMP contracts are provided on pages 28 to 29.

Remuneration consists of the following key elements:

- Fixed Remuneration (base salary, superannuation and non-monetary benefits); and
- Variable Remuneration - Short Term Incentive ("STI") and Long Term Incentive ("LTI").

The proportion of fixed remuneration and variable remuneration ('at risk' short term and long term incentives), is established for each senior executive by the Remuneration Committee. Table 1 on page 30 details the variable component (%) of the Group's KMP.

3.3 Total Fixed Remuneration (TFR)

TFR acts as a base-level reward which is both appropriate to the position and is competitive in the market and includes cash, compulsory superannuation and any salary-sacrificed items (including FBT if applicable). TFR levels for the Executives are reviewed annually by the Board using market benchmarking data provided by independent remuneration advisors. The Board considers variations to the benchmark based on:

- the size and complexity of the role, including role accountabilities;
- the criticality of the role to successful execution of the business strategy;
- skills and experience of the individual;
- period of service; and
- market pay levels for comparable roles.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the Group's KMP is detailed in Table 1 on page 30.

3. Executive remuneration (continued)

3.4 Short Term Incentive (STI) Plan: Key questions and answers on how it works

Why does the Board consider a STI Plan is appropriate?	The purpose of the STI scheme is to encourage and provide an incentive to executives and senior managers to achieve, on a consistent basis, a number of annually set, pre-determined weighted Company and Individual Key Performance Indicators (KPIs).
How is it paid?	STI awards for Executives are paid in cash calculated on a certain percentage, depending on the participant's level of seniority, of their Total Fixed Remuneration (TFR) according to the extent of achievement of the applicable performance measures.
What is the performance period and how much can the Executive earn?	STI awards are assessed over a 12-month performance period aligned with the Company's financial year. The target STI opportunity for KMP is 60% of total fixed remuneration for the Managing Director and 50% for other KMP. STI award potentials are pro-rated for the period of service and the actual outcome depends on the extent of achievement of the applicable performance measure.
How is performance assessed and what are the performance measures?	Performance measures include Group and individual KPIs. KPIs include financial and non-financial measures that align with the Group's strategic plan and core values. The Board with the assistance of the Remuneration Committee sets and assesses the KPIs applicable for the Group and KMP. The outcome of the assessment determines the STI amount payable for the KMP and the Group. No short-term incentives are payable where it is considered that the actual performance has fallen below the minimum requirement.
	The Group-wide KPI areas for FY2022, their weightings and link to strategy are listed below.

Group KPI Area	Weighted opportunity (% of STI)	KPI target, rationale why chosen and link to strategy
Safety	20%	The Safety Performance KPI is based on the total recordable injury (TRI's) improvement against the previous year's safety performance. 100% of the STI weighting is payable if TRI's for the year is 7 or below, 75% is payable if TRI's for the year is 8, 50% is payable if TRI's for the year is 9, and 0% is payable if TRI's for the year is 10 or above. The percentage of the STI payable is not linear and absolute. This KPI encourages behaviours and actions that keep our people safe.
Environment	10%	Environment performance KPI is based on no significant environmental incidents that lead to prosecution and / or the issue of a fine. The percentage of the STI payable is not linear and absolute. This KPI encourages responsible behaviour that underpins the Group's core values and sustainability strategy.
Metal Produced	30%	The Metal Produced performance KPI is based on the delivery of Board set payable nickel produced targets for 100% payability of the STI weighting. If the target is not reached then 50% payability will be applied if more than 90% of the target is met (for payable nickel produced). The percentage of the STI payable increases linearly between bands. This KPI is aligned with execution and delivery of production performance being a strategic imperative in facilitating the achievement of medium and longer term shareholder value.
Cost of Production	30%	The Cost of Production performance KPI is based on the achievement of a Board set maximum cost target per tonne of ore milled for 100% payability of the STI weighting. If the target is not reached then 50% payability will be applied if costs are less than 105% of the target. The percentage of the STI payable increases linearly between bands. This KPI is aligned with cost control and financial performance being a strategic imperative in facilitating the achievement of medium and longer term shareholder value.
Personal Performance	10%	Personal performance KPI is based on individual targets set by the Board for the KMP, with immediate managers setting targets for all other positions within the workforce. The individual KPIs are specific to the key tasks, functions and targets appropriate to assess the performance of the individual in the areas they control and influence. While assessing individual performance, individual KPIs remain tied to Group strategy and objectives that drive the success of the Group. This KPI recognises individual performance where behaviours and outcomes are aligned with the Group's plans, strategy and core values.
	100%	

Refer to section below for further detail on the KMPs' performance and assessment against KPIs for FY2022.

3. Executive remuneration (continued)

3.4 Short Term Incentive (STI) Plan: Key questions and answers on how it works (continued)

Are there STI payment hurdles?	Yes. Each KPI is assessed individually against the target that determines the performance measure for that KPI. The outcome from the assessment of targets for one KPI does not affect the outcome for the other KPIs. As a result, the value of the STI payment is the cumulative value (weighted % basis) from of each individual KPI where targets have been met. Where a KPI target has not been met, no STI payment (weighted % basis) arises for that KPI measure. The achievement of KPI performance hurdles are assessed by the Remuneration Committee with recommendations made to the Board. The Board (excluding the Managing Director) has sole determination of the achievement of KPI performance hurdles.
What happens to STI awards when an Executive ceases employment?	If the Executive's employment is terminated for cause, no STI will be paid. If the Executive resigns before the end of the performance period, then all entitlements under the STI Plan will be forfeited, unless the Board determines otherwise or in the case of a special circumstance. Where a special circumstance is determined by the Board, then entitlements will be determined taking into account both the portion of the performance period completed and Company performance achieved as at the date of cessation. The Board may also at its discretion make a payment of an STI over any period of termination required to be provided by the Company.
Can the Board amend or vary the terms of the STI Plan?	The Board has the power to terminate, suspend or amend the STI Plan, the terms of participation for individual participants or to increase or decrease the STI Plan performance hurdles or STI Plan outcomes should factors determined by the Board in its absolute discretion warrant such a change. Any determinations made by the Board are binding on participants, including the payment of STI's or achievement of performance hurdles. Any dispute or difference of any nature relating to the STI Plan will be referred to the Board and its decision will be final and binding.
Limitation on payments?	The Company is not required to make any STI payment under the STI Plan to a participant which would cause the Company to infringe the Australian Securities Exchange Listing Rules, the Corporations Act 2001 (Cth) or any other applicable law (Applicable Laws) and any payments or benefits to be provided to a participant shall be reduced to a level (as determined by the Company) that does not infringe such Applicable Laws.

Short term incentive (STI) awards

Based on an assessment undertaken by the Remuneration Committee, STI awards for FY2022 to KMPs were as follows:

Name	Position	Maximum STI opportunity	Achieved STI	STI forfeited	Awarded STI
Victor Rajasooriar	Managing Director & CEO	60% of TFR	38%	62%	$136,800
Grant Dyker	Chief Financial Officer	50% of TFR	38%	62%	$71,060

The achieved STI was in respect of the full year ended 30 June 2022 where the following KPI metrics were met.

KPI Area	Weighted Opportunity (%of STI)	KPI target	Actual KPI Performance	Achieved STI %
Safety	20%	100% of the STI weighting is payable if TRI for the year is 7 or below, 75% is payable if TRI for the year is 8, 50% is payable if TRI for the year is 9, and 0% is payable if TRI for the year is 10 or above.	5 TRI	KPI met – 20% STI value
Environment	10%	No significant environmental incidents that lead to prosecution and / or the issue of a fine.	No incidents or fines.	KPI met – 10% STI value
Metal Produced	30%	Delivery of Board-set payable nickel produced target for 100% payability of the STI weighting. If the target is not reached then 50% payability will be applied if more than 90% of the target is met.	Board set target for payable nickel produced not achieved.	KPI not met – 0% STI value
Cost of Production	30%	Board set maximum cost target per tonne of ore milled for 100% payability of the STI weighting. If the target is not reached then 50% payability will be applied if costs are less than 105% of the target.	Board set maximum cost target - $ / tonnes milled not achieved.	KPI not met - 0% STI value
Personal Performance	10%	Various individual targets	Various achieved	V Rajasooriar – 8% STI value G Dyker – 8% STI value

3. Executive remuneration (continued)

3.4 Short Term Incentive (STI) Plan: Key questions and answers on how it works (continued)

The STI outcome is generally determined after the completion of the performance period (a financial year).

The above amounts were expensed in the FY2022 and will be paid in the September 2022 quarter.

A STI was paid to KMP in the prior FY2021 totalling $454,388.

The Board retains the discretion to waive or amend any vesting or performance criteria applying to the scheme, or to make discretionary payments outside of the scheme in limited circumstances where it is considered warranted.

Overview of Company performance

The table below sets out information about the Company's earnings and movements in shareholders' wealth for the past five years up to and including the current financial year. Comparative information has not been restated for the impact of AASB 9 Financial Instruments, AASB 15 Revenue from contracts with customers adopted in FY19 and AASB 16 Leases adopted in FY20.

Year Ended 30 June	2022	2021	2020	2019	2018
Earnings / (Loss) per share (cents)	0.3	-	(8.8)	1.4	(9.1)
Dividends per share (cents)	-	-	-	-	-
Closing share price ($ per share)	0.20	0.15	0.081	0.295	0.620
Return on equity (%)	-	-	(31.2)	4.6	(26.8)

COVID-19 Business response

The global COVID-19 pandemic and its various management and operational challenges have tested the Company's business, its people and culture, and it is pleasing to note that the Company's performance during FY2022 has remained strong and resilient throughout this challenging period. The Group has dealt professionally with the direct and indirect risks, impacts and challenges that the pandemic has brought.

The Board has recognised and understands the importance of applying discretion where appropriate in these times, particularly to the outcomes of incentive awards, whilst ensuring that performance is acknowledged and the Company is able to retain key employees. Upon review, taking into consideration all of the factors as detailed above, the Board determined that no discretion needed to be applied to any form of remuneration for FY2022 as a result of COVID-19.

3.5 Long Term Incentive (LTI) Plan: Key questions and answers on how it works

The Company's LTI Plan was revised by the Remuneration Committee during the year and is named the "Equity Incentive Plan" ("2021 Plan"). The 2021 Plan was subsequently approved for a three-year period by the Company's shareholders at the 2021 Annual General Meeting on 20 October 2021. This plan replaces the "Incentive Options & Performance Rights Plan" ("2018 ES Plan") approved by shareholders at the 2018 Annual General Meeting on 21 November 2018.

Why does the Board consider the LTI Plan is appropriate?	The Board believes that the LTI Plan can: • Reward and incentivise executives with the creation of long-term sustainable shareholder value; • To provide greater incentive to the participant, to focus on the Company's longer term goals; • Be consistent with remuneration governance guidelines; • Be consistent and competitive with current practices of comparable companies; and • Create an immediate ownership mindset among the Executive participants, linking a substantial portion of the potential reward to Panoramic's share price and returns to shareholders.
Who is eligible?	Executives and selected senior managers who are responsible for setting the strategic direction for projects and functions of the Group.
How is the award delivered?	The LTI award for FY2022 is in the form of performance rights and is a right to be issued or transferred ordinary shares at a future point in time subject to the satisfaction of a time-based service criteria and pre-determined vesting conditions. These vesting conditions are established in advance of grant by the Remuneration Committee. Performance and service criteria may be varied from year to year by the Remuneration Committee as appropriate to ensure that the criteria align with the Company's strategies. The Board retains the discretion (except to the extent otherwise provided by an offer to apply for awards), by written notice to a Participant, to resolve to waive or amend any vesting criteria applying to an award in whole or in part. In accordance with the Listing Rules and the Corporations Act, grants of awards (performance rights or options if applicable) under the 2021 Plan to the Company's Managing Director will be subject to approval by the Company's shareholders. Approval by shareholders would also be necessary for any grant of Awards under the 2021 Plan to the non-executive directors. There are no such grants proposed to non-executive directors. No exercise price is payable and eligibility to a grant of performance rights under the 2021 Plan is at the Board's discretion. If approved by the Board, a participant under the 2021 Plan may be paid, as an alternative, a cash amount equal to the market value of a share as at the date the performance right is exercised instead of being issued or transferred a Share. The performance rights carry neither rights to dividends nor voting.

3. Executive remuneration (continued)

3.5 Long Term Incentive (LTI) Plan: Key questions and answers on how it works (continued)

How often are awards made and was an award madein FY2022?	It is the current intention of the Board to have an annual LTI grant cycle. The FY2022 LTI allocation represents a three-year LTI opportunity to tie Executives' awards to the strategic performance cycle of the Group whilst creating a strong retention mechanism. The performance period for the FY2022 LTI award is 1 July 2021 to 30 June 2024. The grant of FY2022 LTI award - performance rights, to the KMP and senior managers (other than the Managing Director) occurred on 2 September 2021. The Managing Director was granted FY2022 LTI award - Performance Rights, following shareholder approval at the Company's 2021 AGM on 20 October 2021.
What is the quantumof the award and what allocation methodology is used?	The LTI dollar value that each Executive will be entitled to receive in Performance Rights (or options if applicable) is set at a fixed percentage of their annual TFR (base salary plus statutory superannuation and benefits) and varies according to the participant's level of seniority and ability to influence performance. The number of performance rights to shares to be granted is determined by dividing the LTI dollar value by the volume weighted average price of the Company's shares over the last 20 trading days of the month of June preceding the start of the vesting period. The maximum LTI opportunity for Executives is 100% of TFR.
What is the expiry date for the Performance Rights?	Performance Rights will expire no more than two (2) years after the acquisition date.
What are the performance conditions?	**Service condition** - The service condition is met if employment / engagement with Panoramic is continuous for the period commencing on or around the grant date until the date the performance rights vest. The service condition for performance rights on issue at 30 June 2022 is three (3) years. **Performance conditions** – The performance conditions for the FY2022 LTI award are Absolute Total Shareholder Return (ATSR) and Relative Total Shareholder Return (RTSR).

Measure	Rationale why chosen and link to strategy
Absolute Total Shareholder Return (ATSR)	25% of the Performance Rights will be performance tested against the TSR for the Company over the performance period as defined in the following section.
Relative Total Shareholder Return (RTSR)	75% of the Performance Rights will be performance tested against the TSR for the Company over the performance period relative to the TSR of each of the companies in the Peer Group over that same performance period on the basis set out in the following section. These performance measures are linked to the returns shareholders receive over the performance period and align executive performance with the strategic objective of creating shareholder value.

What is ATSR and how is it measured?	Absolute Total Shareholder Return (ATSR) is a method for calculating the return shareholders would earn if they held a notional number of shares over the performance period where the share price at the start and end of the performance period is determined by a 20-day Volume Weighted Average Price (VWAP) at the relative measure points. TSR measures the return received by shareholders from holding shares over the performance period. For the FY2022 LTI award, the performance period is three (3) years being 1 July 2021 to 30 June 2024 with 25% of the total tranche issued to Executives to be measured against the following ATSR performance criteria.

ATSR of Panoramic	Percentage of Performance Rights that vest
Annualised TSR below 0%	0% vest
Annualised TSR of 5%	25% vest
Annualised TSR of 10%	50% vest
Annualised TSR of 15% or above	100% vest

The ATSR will be prorated between levels, once the final annualised percentage growth value has been calculated.
The Company will engage an independent advisor to calculate the ATSR of the Company to ensure anobjective assessment.

3. Executive remuneration (continued)

3.5 Long Term Incentive (LTI) Plan: Key questions and answers on how it works (continued)

What is RTSR and how is it measured?	Relative total shareholder return (RTSR) is a method for calculating the return shareholders would earn if they held a notional number of shares over a period of time measured against a peer group based on a 20-day VWAP at the relative measure points. TSR measures the return received by shareholders from holding shares over the performance period. For the FY2022 LTI award, the performance period is three (3) years being 1 July 2021 to 30 June 2024 with 75% of the total tranche issued to Executives to be measured against the following RTSR performance criteria. **RTSR of Panoramic relative to peer group** — **Percentage of Performance Rights that vest** Less than 50th percentile — Nil At or above the 50th but below 60th percentile — Pro rata (on a straight line basis) between 25% and 49% vest. At or above the 60th percentile but below the 75th percentile — Pro rata (on a straight line basis) between 50% and 99% vest. At or above the 75th percentile — 100% vest. The Company will engage an independent advisor to calculate the RTSR ranking to ensure an objective assessment.
Is there a gateway?	Yes. A Service Condition must first be met. Each Performance Condition is then assessed individually against the target for that condition. The performance rights are subject to certain operational and market performance conditions being met and will vest at the measurement date. The number of performance rights that vest will be subject to the Company's performance against total shareholder return and Company performance vesting conditions. The outcome from the assessment of targets for one Performance Condition does not affect the outcome for the other Performance Conditions. As a result, the value of the LTI award at vesting, is the cumulative value (weighted % basis) from satisfying each Performance Condition where targets have been met. Where a Performance Condition target has not been met, no LTI award (weighted % basis) arises for that Performance Condition.
How is performance assessed?	The achievement of LTI Performance Conditions are assessed by the Remuneration Committee with recommendations made to the Board. The Board (excluding the Managing Director) has sole determination of the achievement of LTI Performance Hurdles. The Remuneration Committee will engage an independent advisor to report on the market performance conditions for ATSR and RTSR.
How is fair value of Performance rights determined?	The fair value of performance rights granted are determined using a Monte Carlo simulation, a review of historical share price volatility and correlation of the share price of the Company to its Peer Group. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date.
How are dividends treated during the performance period and deferral period?	No dividends are paid on Performance Rights prior to vesting. No cash payment will be made in respect of dividends on awards which do not vest. Where the Company pays a dividend during the Performance Period, a Dividend Adjustment Performance Right (DAPR) will be issued. The conditions for the issue of the DAPRs are: (i) the underlying Performance Rights vest, and (ii) the Company distributes a dividend during the Performance Period. The number of DAPRs that are issued is determined by dividing the notional value of the dividends distributed on the underlying shares by the 20-day VWAP of the shares ending on the day prior to the date the relevant dividend is announced. If no dividends are paid during the Performance Period, the Dividend Adjustment Performance Rights will not be issued. At the Company's AGM held on 20 October 2021, shareholders approved a contingent entitlement for Mr V Rajasooriar to receive up to 600,000 DAPR. The entitlement is subject to conditions (noted above) and has not resulted in the issue of any DAPR to Mr Rajasooriar at the date of this report. At 30 June 2022 there were no DAPR on issue and no Performance Right holder had met the required conditions for a DAPR issue.
What happens to Performance rights when an Executive ceases employment?	If the Executive's employment is terminated for cause, or due to resignation, all unvested Performance Rights will lapse, unless otherwise determined by the Board.

3. Executive remuneration (continued)

3.5 Long Term Incentive (LTI) Plan: Key questions and answers on how it works (continued)

What happens in the event of a change of control?	In the event a change of control occurs the following terms apply. Mr Victor Rajasooriar: vesting conditions are waived and awards automatically vest. Other plan participants: Board retains the discretion to waive vesting conditions and awards do not automatically vest, unless the participants employment contract states otherwise.
Are there malus or clawback provisions?	Yes. The Board using discretion in certain circumstances where the Executive has breached the conditions of the 2021 Plan with respect to conduct or eligibility to hold office may lapse or cancel unvested or vested but unexercised awards or require the Executive to cancel any shares issued on exercise of the Executive's award.
Why does the Board consider Board discretion to be appropriate?	The Board acknowledges that formulaic incentive awards and selected performance measures are unable to provide the right remuneration result in every situation, leading to occasions where the incentive does not reflect true performance. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted. The Board will continue to ensure discretion is only applied in a manner that aligns Executive rewards from incentive plans to shareholder value creation.

Long Term Incentive (LTI) Awards

During the year the Company issued 7,563,220 Performance Rights in total of which 5,859,543 Performance Rights were issued to KMP in respect of the LTI component of their FY2022 remuneration. The LTI awards for FY2022 were granted to KMP and senior managers under the 2021 Plan. The table below shows the number of performance rights granted to KMPs during the FY2022.

Name	Maximum LTIOpportunity	Number of Performance Rights granted during FY2022	Fair Value of Performance Rights
Victor Rajasooriar(i)	100% of total fixed remuneration	3,992,813	$598,762
Grant Dyker	75% of total fixed remuneration	1,866,640	$281,653

(i) The performance rights issued to Mr Rajasooriar were approved by shareholders on 20 October 2021.

On vesting, each right automatically converts to one ordinary share.

The Company does not permit executives or senior managers to enter into contracts to hedge their exposure to options or performance rights to shares granted as part of their remuneration package. This policy is strictly enforced by the Managing Director under the Company's Share Trading Policy detailed in the Corporate Governance Statement.

The table below outlines the movements in performance rights during the 2022 financial year and the balance held by each KMP at 30 June 2022.

Name	Balance at 1 July 2021	Granted in FY2022	Vested	Lapsed	Other	Balance at 30 June 2022
Victor Rajasooriar	7,416,488	3,992,813	-	-	-	11,409,301
Grant Dyker	1,936,910	1,866,640	-	-	-	3,803,550
Total	**9,353,398**	**5,859,453**	**-**	**-**	**-**	**15,212,851**

The following table details the terms and conditions of the grant and the assumptions used in estimating fair value for Performance Rights issued to KMP during the 2022 financial year.

Item	V Rajasooriar	G Dyker
Grant date	20 October 2021	3 September 2021
Number of ATSR rights	998,203	466,660
Number of RTSR rights	2,994,610	1,399,980
Value of underlying security at grant date	$0.235	$0.205
Fair value per ATSR Right	$0.142	$0.143
Total ATSR Expense for the period	$41,331	$19,742
Fair value per RTSR Right	$0.152	$0.153
Total RTSR Expense for the period	$133,156	$62,618
Dividend yield	0%	0%
Risk free rate	0.67%	0.67%
Volatility	80%	80%
Performance period (years)	3.0	3.0
Commencement of measurement period	1 July 2021	1 July 2021
Test date	30 June 2024	30 June 2024
Remaining performance period (years)	2.0	2.0
Maximum expense amount to be recognised in future period	$212,747	$100,089

3. Executive remuneration (continued)

The performance rights granted to Mr Rajasooriar and Mr Dyker are subject to certain operational and market performance conditions being met and will vest at the measurement date. The performance measures adopted are summarised in the following table.

Tranche	Amount	Weighting	Performance Conditions
Victor Rajasooriar	998,203	25% of the Performance Rights	ATSR performance. Performance rights vest on a pro-rata scale from 25% to 100% for ATSR performance between 5% and 15%. (measured over the 3 year period to 30 June 2024)
	2,994,610	75% of the Performance Rights	RTSR performance relative to a defined peer group. Performance rights vest on a stepwise basis from 25% to 100% for RTSR performance between 50th and 75th percentile. (measured over the 3 year period to 30 June 2024)
Grant Dyker	466,660	25% of the Performance Rights	ATSR performance. Performance rights vest on a pro-rata scale from 25% to 100% for ATSR performance between 5% and 15%. (measured over the 3 year period to 30 June 2024)
	1,399,980	75% of the Performance Rights	RTSR performance relative to a defined peer group. Performance rights vest on a stepwise basis from 25% to 100% for RTSR performance between 50th and 75th percentile. (measured over the 3 year period to 30 June 2024)

The peer group comprises: Aeris Resources Ltd, Aurelia Metals Ltd, Blackstone Minerals Ltd, Copper Mountain Mining Corp, Core Lithium, Liontown resources, Metals X Ltd, Mincor Resources Ltd, Neometals, New Century Resources Ltd, Poseidon Nickel Ltd, Red River Resources Ltd, Sandfire Resources Ltd, Venture Minerals, and Develop Ltd.

In the period from the end of the financial year to the date of signing this Directors' Report, the Company has granted new Performance Rights totalling 5,377,969 to KMP and senior managers under the 2021 Plan. Mr Rajasooriar was awarded (subject to shareholder approval at the Company's upcoming 2022 annual general meeting of shareholders) 2,837,838 performance rights. Mr Dyker was awarded 1,334,586 performance rights and senior managers were awarded 1,205,545 performance rights. These LTI awards will be subject to testing including the Company's performance against ATSR and RTSR. The awards have a three-year performance period ending on 30 June 2025.

4. Employment contracts

4.1 Non-Executive Directors

Panoramic's Non-Executive Director remuneration objective is designed to attract and retain suitably skilled Directors who can discharge the roles and responsibilities required in terms of good governance, oversight, independence, and objectivity. The Board seeks to attract directors with different skills, experience, expertise, and diversity.

All Non-Executive Directors are contracted under the following terms:

- A Non-Executive Director may resign from their position and thus terminate their contract on written notice.
- The Director's appointment is subject to the provisions of the Company's Constitution regarding retirement by rotation and re-election and will cease at the end of any meeting at which the director is not re-elected as a director by the shareholders of the Company.
- Non-Executive Directors do not receive retirement or termination benefits and do not participate in any incentive plans.

Under the Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. Each Director receives a fee for being a director of the Company. This fee is inclusive for each Board committee on which a Director is a member.

A review of Non-Executive Director fees was undertaken during the financial year. With effect from 1 July 2021 the Non-Executive Chair's remuneration will increase to $145,000 (an increase of $5,000 from the previous year) and each Chair of a Board Sub-Committee will be paid an annual fee of $15,000 an increase of $5,000 from the previous year.

The payment of Chair committee fees recognises the additional time commitment required by Non-Executive Directors who serve in those positions. The Chair of the Board does not receive additional fees for being a member of any Board committee.

Non-Executive Director	Annual Directors Fees
Nicholas Cernotta	$145,000
Peter Sullivan	$105,000[1]
Rebecca Hayward	$105,000[1]
Gillian Swaby	$105,000[1]

[1] Includes $15,000 annual fee for Chairing of Board Sub-Committee.

4. Employment contracts (continued)

4.1 Non-Executive Directors (continued)

The fees paid to Non-Executive Directors for the period ending 30 June 2022 are detailed in Table 1 on pages 30 and 31 of this report. Fees for the Non-Executive Directors were determined within an aggregate directors' fee pool limit of $800,000 which was approved by shareholders on 20 October 2021.

4.2 Managing Director

The key terms of the Managing Director's contract are as follows:

- Total fixed remuneration (TFR) of $630,000 per annum inclusive of benefits and statutory superannuation.
- Short Term Incentives in accordance with the STI Plan Rules that apply from time to time up to 60% of TFR.
- Long Term Incentives ("LTI") in accordance with the rules of the 2021 Plan of up to 100% of TFR.

Refer to section 3 of the Remuneration Report for the treatment of STI's and LTI's on cessation of employment.

- The Company may terminate the Managing Director's contract by providing 6 months' written notice or provide payment in lieu of the notice period (based on the TFR component of remuneration) if termination is initiated by the Company, except where termination is from serious misconduct.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with such cause occurs, the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.
- If at any time during the employment there is a material diminution in the position, the Managing Director will be entitled to an immediate payment of 6 months' severance pay.

4.3 Named executives

The named executives and the commencement date of their contracts are as follows:

Named Executive	Date of Current Employment Contract[1]	Position
Grant Dyker	5 October 2020	Chief Financial Officer

[1] *Note that the date of the current employment contract is not necessarily the commencement date of employment*

Employment Contracts

Mr Dyker is entitled to a total fixed remuneration (TFR) of $395,038 per annum inclusive of benefits and statutory superannuation. He may also participate from time to time in short term incentives (up to 50% of TFR) and long term incentives (up to 75% of TFR) in accordance with the STI plan rules and the LTI 2021 Plan. Refer to section 3 of the Remuneration Report for the treatment of STI's and LTI's on cessation of employment. Mr Dyker may resign from his position by providing 3 months' written notice. The Company may terminate the executive employment contract by providing 3 months' notice, except in the case of serious misconduct in which case the contract may be terminated immediately. If at any time during the employment there is a material diminution in the position, he will be entitled to an immediate payment of 6 months' severance pay.

4.4 Termination payments

The Company did not make any termination payments to KMP during FY2022. All contractual termination benefits comply with the provisions of the Corporations Act 2001.

5. Remuneration of Directors and Executive Officers

The remuneration in Table 1 (FY2021 – Table 3) for each named person, is the total of fixed remuneration (base salary, superannuation and non-monetary benefits) and variable remuneration (short term and long term incentives) calculated in accordance with statutory accounting requirements. Excluding the cash component of remuneration, the total remuneration shown is the amount expensed by the Company and does not, in every case, represent what each named individual ultimately received in cash.

Table 1: Remuneration of Directors and Executive Officers FY 2022

2022	Short-term benefits			Post-employment benefits	Long- term benefits	Share-based payments	Termination / Resignation payments	Total	Performance related[d]
Name	Cash salary and fees[a]	Bonus	Other[e]	Super-annuation[b]	Annual and Long Service Leave[c]	Rights to shares			
	($)	($)	($)	($)	($)	($)	($)	($)	(%)
Non-Executive Directors									
P R Sullivan	105,000	-	-	-	-	-	-	105,000	-
N L Cernotta	135,114	-	-	9,886	-	-	-	145,000	-
R J Hayward	95,454	-	-	9,546	-	-	-	105,000	-
G Swaby	95,454	-	-	9,546	-	-	-	105,000	-
Executive Directors									
R V Rajasooriar	572,500	136,800	8,961	27,500	41,819	461,958	-	1,249,538	48%
Executives									
G Dyker	346,500	71,060	10,288	27,500	22,182	132,689	-	610,219	33%
	1,350,022	**207,860**	**19,249**	**83,978**	**64,001**	**594,647**	**-**	**2,319,758**	**43%**

(a) Short term benefits as per Corporations Regulation 2M.3.03(1) Item 6.
(b) Post-employment benefits are provided through superannuation contributions.
(c) Other long-term benefits as per Corporations Regulations 2M.3.03(1) Item 8.
(d) Calculated as bonus (short term benefits) and share based payments divided by total remuneration.
(e) Benefits and allowances include the value of health insurance and parking provided to Mr Rajasooriar and Mr Dyker.
(f) Relates to the cash component of the FY2022 STI award based on achievement of KPIs in accordance with the STI Plan.
(g) The fair value of rights to shares is calculated at the date of grant using the Monte Carlo Simulation model and recognised over the period in which the minimum service conditions are fulfilled (the vesting period). The fair value is not related to or indicative of the benefit (if any) that the individual Executive may in fact receive.

Executive cash value of remuneration realised in FY2022

The actual remuneration earned during the year in accordance with the Corporations Act 2001 and accounting standards is outlined in Table 1 above. The cash value of remuneration realised by Executive KMP in FY2022 is set out below. This information is considered to be relevant as it provides shareholders with a view of the 'take home pay' received by Executive KMP in FY2022 and may differ from the remuneration disclosure in the statutory remuneration table.

Table 2: Executive cash value of remuneration realised in FY2022

	Salary and fees[a]	Benefits and allowances[b]	Cash STI[c]	LTI Plan rights[d]	Long service leave[e]	Total actual remuneration
	($)	($)	($)	($)	($)	($)
V Rajasooriar	600,000	8,961	136,800	-	-	**745,761**
G Dyker	374,000	10,288	71,060	-	-	**455,348**

(a) *Salary and fees comprise base salary and superannuation entitlements. It reflects the total of "Salary and fees" and "Superannuation" in the statutory remuneration table.*
(b) *Benefits and allowances include the value of health insurance and parking benefits provided to the Executive's. It reflects the same figure that is disclosed in the statutory remuneration table under "Benefits and allowances".*
(c) *Cash STI represents the cash component of the FY2022 STI award to Executives. It reflects the same figure that is disclosed in the statutory remuneration table under "Cash STI".*
(d) *No LTI Plan awards granted to Executives in prior years vested during the current financial year. This differs from the amount disclosed in the statutory remuneration table under "Share-based payments", which includes the fair value of LTI grants which may or may not vest in future years.*
(e) *Relates to the payment of accrued long-service leave benefits to the Executive. This differs to the amount disclosed in the statutory remuneration table under "Long service leave", which includes the value of the movement in the long service leave provision relating to KMP.*

5. Remuneration of Directors and Executive Officers (continued)

Table 3: Remuneration of Directors and Executive Officers FY 2021

2021	Short-term benefits			Post-employment benefits	Long- term benefits	Share-based payments	Termination / Resignation payments	Total	Performance related[d]
Name	Cash salary and fees[a]	Bonus	Other[e]	Super-annuation[b]	Annual and Long Service Leave[c]	Rights to shares			
	($)	($)	($)	($)	($)	($)	($)	($)	(%)
Non-Executive Directors									
P R Sullivan	97,917	-	-	-	-	-	-	97,917	-
N L Cernotta	126,202	-	-	10,881	-	-	-	137,083	-
R J Hayward	89,422	-	-	8,495	-	-	-	97,917	-
G Swaby	89,422	-	-	8,495	-	-	-	97,917	-
Executive Directors									
R V Rajasooriar	526,922	331,200	3,486	25,000	43,821	226,039	-	1,156,468	48%
Executives									
G Dyker[f]	216,727	123,188	2,522	19,194	17,008	37,291	-	415,928	39%
M Ball[g]	71,414	-	2,101	17,111	5,817	-	82,125	178,568	-
Total	**1,218,025**	**454,388**	**8,109**	**89,176**	**66,645**	**263,330**	**82,125**	**2,181,798**	**33%**

(a) Short term benefits as per Corporations Regulation 2M.3.03(1) Item 6.
(b) Post-employment benefits are provided through superannuation contributions.
(c) Other long-term benefits as per Corporations Regulations 2M.3.03(1) Item 8.
(d) Calculated as bonus (short term benefits) and share based payments divided by total remuneration.
(e) Benefits and allowances include the value of parking provided to Mr Rajasooriar, Mr Dyker and Mr Ball.
(f) Mr G Dyker joined the Company on 5 October 2020.
(g) Mr M Ball resigned on 30 September 2020.

5.1 Securities granted as part of remuneration

There were no alterations to the terms and conditions of securities granted as remuneration from their grant date until their vesting date during the financial year.

Performance Rights to Shares

Performance rights were issued to KMP totalling 5,859,453 in the financial year ended 30 June 2022 (30 June 2021: 12,589,242). Refer to section 3 of the Remuneration Report for further detail on the issue of Performance Rights.

Options

No options to shares were granted as compensation to KMP in the financial year ended 30 June 2022 (30 June 2021: nil).

Shares

There were no ordinary shares issued to KMP on the exercise of securities during the financial year (2021: Nil).

6. Equity instrument reporting

6.1 Performance Rights holdings of Executives

The table below discloses the movements in Performance Rights held by Executives issued under the LTI Plan (refer section 3). The table excludes entitlements to Dividend Adjustment Performance Rights that are unissued and subject to conditions.

Table 4: Performance rights - LTI Plan

	Balance at 1 Jul 21	Granted as remuneration	Vested	Lapsed	Balance at 30 Jun 22	Unvested	Value of unvested Rights[a]
V Rajasooriar	7,416,488	3,992,813	-	-	11,409,301	11,409,301	$1,399,803
G Dyker	1,936,910	1,866,640	-	-	3,803,550	3,803,550	$420,212

(a) This is based on the fair value, at grant date, of Rights that have yet to vest. The fair value is not related to or indicative of the benefit (if any) that the individual Executive may in fact receive.

The Rights 'on foot' are disclosed in the table below. Should the Rights not vest, the award will expire.

6. Equity instrument reporting (continued)

6.1 Performance Rights holdings of Executives (continued)

Table 5: Details of Rights 'on foot' – LTI Plan

	Grant date	Number of Rights	Fair value of Right[(a)]	Performance and service period	Vesting Outcome	Expiry date	Maximum expense to be recognised in future periods
V Rajasooriar	20 Oct 2021	3,992,813	$0.15	1 Jul 2021 to 30 Jun 2024	30 June 2024	30 June 2026	424,334
	17 Nov 2020	7,416,488	$0.11	1 Jul 2020 to 30 Jun 2023	30 June 2023	30 June 2025	287,471
G Dyker	2 Sep 2021	1,866,640	$0.15	1 Jul 2021 to 30 Jun 2024	30 June 2024	30 June 2026	199,633
	5 Oct 2020	1,936,910	$0.07	1 Jul 2020 to 30 Jun 2023	30 June 2023	30 June 2025	50,599

(a) The fair value of Rights is calculated at the date of grant using the Monte Carlo Simulation model and recognised over the period in which the minimum service conditions are fulfilled (the vesting period). The fair value is not related to or indicative of the benefit (if any) that the individual Executive may in fact receive.

6.2 Shareholdings of KMP

The following table discloses the movements in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties. There were no shares granted during the reporting period as remuneration.

Table 6: Shareholdings of KMP

	Balance at 1 July 2021 or date becoming a KMP	Purchases	Received during the year on the exercise of Rights and Options	Net other movements	Balance at 30 June 2022 or date ceasing to be a KMP
Non-Executive Directors					
N Cernotta	107,500	-	-	-	107,500
P Sullivan	-	-	-	-	-
R Hayward	107,500	-	-	-	107,500
G Swaby	107,500	-	-	-	107,500
Executive Directors					
V Rajasooriar	1,791,666	-	-	-	1,791,666
Executives					
G Dyker	-	-	-	-	-
	2,114,166	-	-	-	2,114,166

7. KMP Transactions

There were no loans to KMP and their related parties at any time during the year ended 30 June 2022. There were no transactions involving key management personnel and their related parties other than compensation and transactions concerning shares and performance rights to shares as discussed in the Remuneration Report.

Signed in accordance with a resolution of the Directors.

Nick Cernotta

Independent Non-Executive Chair

Victor Rajasooriar

Managing Director and Chief Executive Officer

Perth, 31 August 2022

Financial Statements

For the year ended 30 June 2022

	Note	2022 $000	2021 $000
Revenue	3	90,394	139
Cost of sales	5	(78,781)	-
Gross Profit		**11,613**	**139**
Other income	4	2,665	10,158
Care and maintenance costs		-	(16,111)
Corporate and other expenses	5	(6,618)	(6,992)
Exploration and evaluation expenditure written off		(844)	(945)
Gain on commodity forward contracts		4,745	-
Change in fair value of financial assets at fair value through profit or loss		-	(121)
Impairment reversal	22	-	14,186
Profit before net finance expense and income tax expense		**11,561**	**314**
Finance income	6	224	403
Finance expense	6	(5,525)	(422)
Profit before income tax expense		**6,260**	**295**
Income tax expense	7	-	-
Net profit for the year		**6,260**	**295**
Attributable to:			
Owners of Panoramic Resources Limited		6,260	295
		6,260	295
Earnings per share (EPS):			
Basic EPS attributable to ordinary equity holders (cents)	8	0.3	0.0
Diluted EPS attributable to ordinary equity holders (cents)	8	0.3	0.0

The consolidated income statement should be read in conjunction with the accompanying notes.

	2022 $000	2021 $000
Net profit for the year	**6,260**	**295**
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	**6,260**	**295**
Attributable to:		
Equity holders of the parent	6,260	295
	6,260	**295**

The consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

	Note	2022 $000	2021 $000
CURRENT ASSETS			
Cash and cash equivalents	9	21,757	24,237
Trade and other receivables	17	3,797	1,942
Inventories	18	12,835	557
Prepayments		2,509	1,494
Derivative financial instruments	16	4,992	-
Total current assets		**45,890**	**28,230**
NON CURRENT ASSETS			
Receivables	17	-	1,536
Financial assets at fair value through profit or loss		6	12
Exploration and evaluation assets	19	5,551	5,551
Property, plant and equipment	20	25,686	25,711
Development and mineral properties	19	193,566	136,076
Right-of-use assets	21	29,819	4,195
Other financial assets		291	221
Total non-current assets		**254,919**	**173,302**
TOTAL ASSETS		**300,809**	**201,532**
CURRENT LIABILITIES			
Trade and other payables	10	28,937	4,388
Borrowings	11	8,644	-
Lease liabilities	12	9,886	1,445
Provisions	24	1,833	714
Total current liabilities		**49,300**	**6,547**
NON CURRENT LIABILITIES			
Borrowings	11	36,072	-
Lease liabilities	12	21,929	4,738
Provisions	24	19,898	23,566
Total non-current liabilities		**77,899**	**28,304**
TOTAL LIABILITIES		**127,199**	**34,851**
NET ASSETS		**173,610**	**166,682**
EQUITY			
Contributed equity	30	353,550	353,550
Reserves	31	23,145	22,476
Accumulated losses		(203,085)	(209,345)
TOTAL EQUITY		**173,610**	**166,682**

The consolidated balance sheet should be read in conjunction with the accompanying notes.

	Note	Contributed equity $000	Option and share-based payment reserve $000	Accumulated losses $000	Total equity $000
At 1 July 2022		**353,550**	**22,476**	**(209,342)**	**166,682**
Profit for the year		-	-	6,260	6,260
Total comprehensive income for the period		-	**-**	**6,260**	**6,260**
Performance rights issued		-	668	-	668
Balance at 30 June 2022		**353,550**	**23,145**	**(203,085)**	**173,610**

	Note	Contributed equity $000	Option and share-based payment reserve $000	Accumulated losses $000	Total equity $000
At 1 July 2021		**353,550**	**22,172**	**(209,637)**	**166,085**
Profit for the year		-	-	295	295
Total comprehensive income for the period		-	**-**	**295**	**295**
Performance rights issued		-	304	-	304
Balance at 30 June 2021		**353,550**	**22,476**	**(209,342)**	**166,682**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	2022 $000	2021 $000
Cash flows from operating activities			
Cash receipts from customers		100,332	2,556
Cash paid to suppliers and employees		(73,089)	(23,150)
Other revenue		-	3,337
Interest paid		(1,033)	(167)
Net cash inflow / (outflow) from operating activities	9	**26,210**	**(17,424)**
Cash flows from investing activities			
Payments for exploration and evaluation assets		(844)	(1,025)
Proceeds from sale of property, plant and equipment		2,568	22
Payments for plant and equipment, including assets under construction		(4,697)	(460)
Payments for development costs		(56,230)	(11,397)
Proceeds from sale of subsidiary (net of cost)		-	22,384
Proceeds from sale of financial assets at fair value through profit or loss		-	1,815
Interest received		224	162
Net cash (outflow) / inflow from investing activities		**(58,979)**	**11,501**
Cash flows from financing activities			
Proceeds from borrowings		41,113	-
Repayment of borrowings		(763)	-
Payments for leased assets		(10,061)	(1,004)
Net cash inflow / (outflow) from financing activities		**30,289**	**(1,004)**
Net decrease in cash and cash equivalents		**(2,480)**	**(6,927)**
Cash and cash equivalents at the beginning of the period		24,237	31,164
Cash and cash equivalents at the end of the period	9	21,757	24,237

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Corporate information and basis of preparation

1. Corporate information

Panoramic Resources Limited is a for profit company incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX). The consolidated financial statements of Panoramic Resources Limited incorporate Panoramic Resources Limited (the Parent) as well as its subsidiaries (collectively, the Group) as outlined in Note 26. The financial statements of the Group for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 30 August 2022.

The nature of the Group's operations and principal activities are described in the Directors' Report. Information on the Group's structure is provided in Note 26. Information on other related party relationships of the Group is provided in Note 28.

2. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of theAustralian Accounting Standards Board. The financial report also complies with IFRS as issued by the International Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for trade receivables and equity investments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period except for the policies stated below.

(a) Going concern basis

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group held cash on hand as at 30 June 2022 of $21.76 million (30 June 2021: $24.24 million).

As at 30 June 2022 the Group has a working capital deficit of $3.41 million (2021: nil). The deficit includes a current liability for scheduled bank debt repayments totalling $7.522 million to paid over the period August 2022 to June 2023. Concentrate produced in the month of June 2022 was not sold by year end. Available and unsold concentrate stocks at 30 June 2022 totalled 4,923dmt containing 344t nickel, 128t copper and 26t cobalt, which is higher as a result of the planned June shipment arriving late, departing Wyndham on 9 July 2022 with a concentrate cargo of 6,438dmt. The provisional value of this shipment was US$9.97 million, of which a substantial portion of the sale value is on account of June 2022 concentrate production.

For the year ended 30 June 2022 the Group made an after tax profit of $6.260 million. At 30 June 2022 the group had total assets of $300.81 million. Cash outflows from operations and investment activities were $32.77 million. This includes pre-commercial production expenditure capitalised to development costs for the period up to 31 March 2022.

Underground mining operations commenced in July 2021 with ore treatment started in October 2021. First concentrate was produced in October 2021 and the first concentrate sale was achieved on 26th December 2022.

Four concentrate shipments have been achieved in FY2022 totalling 37,454dmt of concentrate for a sale value of $100.16 million (includes shipping revenue, provisional and / or final invoicing). Subsequent shipments have been scheduled and confirmed for July (departed 9 July 2022) and August 2022. The Company is planning for eleven concentrate shipments in the FY2023.

Over the financial year the Savannah Nickel Project progressed the ramp-up of underground mining and processing operations. During the six-month period to December 2021 the mining schedule was modified to reflect labour accessibility issues stemming from COVID-19 related border controls in Western Australia. Since the reopening of the West Australian border in the March 2022 quarter, workforce levels within the underground mining department have improved however numbers continue to be impacted by the demands within the industry and absenteeism from the increase in COVID-19 cases in the WA community. This has impacted mine productivity as the return to planned production rates from the modified schedule has been slower than expected. The Company will continue to progress the ramp-up over the period to June 2023.

The Savannah Nickel Project achieved commercial production from 1 April 2022.

On 3 April 2021 the Company announced it had secured a financing facility from Trafigura Pte Ltd totalling US$45.0 million comprising two tranches. The first tranche is a five-year Prepayment Loan Facility (PLF) totalling US$30.0 million. The second tranche is a Revolving Credit Loan Facility (RCF) for US$15.0 million, is repayable if drawn in eighteen months from the drawdown of the PLF. The facility reached financial close on 2 July 2021. The PLF was drawn on 24 September 2021 totalling A$41.1 million (US$30.0 million).

2. Basis of preparation (continued)

(a) Going concern basis (continued)

Subsequent to the end of the financial year on the 24 August 2022, the Company announced to the ASX it had commenced a US$15.0 million drawdown from the RCF. Proceeds from the drawdown were received on 30 August 2022. The Company continues to experience material changes in the timing of shipments and therefore concentrate revenue as a result of the ongoing tightness in shipping (sea freight) markets. The availability and arrival of ships when required continues to provide challenges in managing short-term working capital funding. The likely late arrival of the planned shipment in August 2022 has required the Company to draw on the RCF in order to manage changes to the short-term working capital funding position of the business. The financing facility from Trafigura Pte Ltd totalling US$45.0 million will be fully drawn following the completion of the drawdown from the RCF. Scheduled PLF fixed monthly repayments commence in August 2022. There were no breaches of facility terms, conditions or covenants during the year and the Company is in compliance with facility covenants at the date of this report.

The impact of COVID-19, including any restrictions on travel and the movement of supplies to Savannah has the potential to impact the activities of the Company by reducing productivities and / or increasing the cost of performing the Company's activities. COVID-19 may also impact the Company's ability to transport and ship concentrate efficiency which could result in a reduction to revenue.

The Directors consider the going concern basis of preparation to be appropriate based on the cash flow forecasts. The Group is expected to start generating positive cashflow from the Savannah Nickel Project in FY2023. The achievement of cash flow forecasts is dependent upon the Group achieving forecast targets for concentrate revenue, mining operations and processing activities that are in accordance with management's plans and forecast commodity pricing (nickel, copper and cobalt) and foreign exchange assumptions to enable the cash flow forecast to be achieved. Critical to achieving forecast cash flows is the Group's ability to achieve forecast concentrate production in accordance with Board approved forecasts. Should this not occur it is likely that the Group will require additional capital to fund ongoing operations at the Savannah Nickel Project. The Directors are satisfied there is a reasonable basis that the Group will be able to secure additional funds as required and thus it is appropriate to prepare the financial statements on a going concern basis. In the event that the Company is unable to obtain sufficient funding for ongoing operating and capital requirements, there is material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

(b) Changes in accounting policies and disclosures

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of the new or amended accounting standards or interpretations during the year did not have a material impact on the Group's financial report.

The Group has elected to adopt the AASB 2020-3 amendment to Australian Accounting Standard AASB 116 Property, Plant and Equipment- Proceeds before Intended Use ("AASB 116 Amendment") with respect to the accounting treatment for pre-commercial production revenue and costs.

The AASB 116 Amendment prohibits an entity deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The Group's previous policy was to capitalise all pre-commercial production revenue and costs to mine properties.

In accordance with the transitional provisions, the AASB 116 Amendment has been applied retrospectively to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after 1 July 2020, being the beginning of the comparative period presented in the consolidated financial statements.

With respect to the Savannah Nickel Project, a decision was made in April 2021 approving the restart of operations which were previously on care and maintenance. Underground mining commenced in July 2021 and during the period July 2021 to 31 March 2022 the project returned to operations in stages across mining, processing and concentrate handling. As set in Note 19, the Savannah Nickel Project achieved Commercial Production on 1 April 2022. Accordingly, adoption of the AASB 116 Amendment had no impact on the Consolidated Balance Sheet as at 30 June 2021 or on the Consolidated Income Statement for the year then ended. The impact of the AASB 116 Amendment on the Consolidated Income Statement for the year ended 30 June 2022 is disclosed in Note 3

2. Basis of preparation (continued)

(c) Key estimates and judgements

The preparation of the Group's consolidated financial statement requires management to make judgments in the process of applying the Group's accounting policies and estimates that effect the reported amounts of revenue, expenses, assets and liabilities. Other than key judgments and estimates disclosed elsewhere in the financial report, other key judgements and estimates which are material to the financial report are found in the following notes.

Note		**Key estimate or judgement**
Note 3	Revenue	• Price adjustment for estimate of concentrate specifications. • Fair value of receivables is based on the closing forward LME metal price.
Note 7	Income tax	• The recognition of deferred tax asset depends on the probability of future taxable profits.
Note 12	Lease term for contracts with renewal options	• The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. • The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).
Note 12	Incremental borrowing rate for lease liabilities	• In measuring the present value of the lease liability, the standard requires that the lessee's incremental borrowing rate is used if the rate implicit in the lease cannot be readily determined. Panoramic uses a consistent approach reflecting the Group's borrowing rate and the duration of the lease term, which requires the use of judgment.
Note 14	Fair value measurement	• Where the fair value of an instrument is not determinable with reference to active market prices, an alternative valuation technique is used to estimate the fair value of the instrument.
Note 19	Exploration and evaluation assets	• The application of the Group's accounting policy for assessing capitalised exploration and evaluation assets for impairment requires judgment to determine whether future economic benefits are likely from either futureexploitation or sale. • An exploration and evaluation asset shall be reclassified to mine development when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and a decision has been made to develop and extract the resource.
Note 22	Impairment of non-financial assets	• The recoverable amount of mine development is assessed for impairment whenever circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.
Note 24	Provisions	• Rehabilitation, restoration and dismantling provisions are reassessed at the end of each reporting period. The estimated costs include judgement regarding the Group's expectation of the level of rehabilitation activities that will be undertaken, technological changes, regulatory obligations, cost inflation and discount rates.

(d) Basis of consolidation and business combinations

The consolidated financial statements comprise the financial statements of Panoramic Resources Limited and the subsidiaries it controls (as outlined in Note 26) as at 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specially, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its return.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including;

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

2. Basis of preparation (continued)

(d) Basis of consolidation and business combinations (continued)

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(e) Foreign currencies

Functional and presentation currency

The functional currency of Panoramic Resources Ltd and its Australian subsidiaries is Australian dollars. The financial statements are presented in Australian dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(f) Goods and services taxes (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(g) Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant in understanding the financial statements are provided throughout the notes to the financial statements.

(h) Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing the performance and determining the allocation of resources.

The Group is organised into one operating segment, being mineral production, exploration and development at the Savannah Nickel Project. Accordingly, all significant operating decisions are based upon an analysis of the Group as one segment. The financial results of this segment are equivalent to the consolidated financial statements as a whole.

The Company operated in one geographical area being Australia.

The Group's revenue (refer to Note 3 for details) arises from sales to customers located in China. In 2022, one customer individually accounted for 100% of total revenue during the year.

Results for the year

This section focuses on the results and performance of the Group. It includes information on profitability and the resultant return to shareholders via earnings per share.

3. Revenue

	2022 $000	2021 $000
Revenue		
Revenue from sale of concentrate	83,679	-
Revenue from shipping services	4,691	-
Total revenue	**88,370**	**-**
Realised fair value gain on receivables subject to QP adjustment	11,788	139
Unrealised fair value loss on receivables subject to QP adjustment	(9,764)	-
Total Revenue	**90,394**	**139**

(i) Pre-commercial production revenue included in total above is $44.4 million.

(ii) The Group has reclassified the QP adjustment from other income to revenue in the current financial year to be consistent with the presentation adopted by the Group's industry peers.

Recognition and measurement

The Group's principal revenue is from the sale of concentrate containing nickel, copper and cobalt. The Group also earns revenue from the provision of shipping services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer and at the amount that reflects the consideration to which the Group expects to receive in exchange for those goods or services.

The Group has concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

Concentrate sales

For metal-in-concentrate sales under CIF incoterms, the performance obligations are the delivery of the concentrate and the provision of shipping services. Based on the contractual terms, revenue from the sale of nickel-copper-cobalt concentrate is recognised when control passes to the customer, which occurred at a point in time when the concentrate is physically transferred onto a vessel.

The Group's sales of nickel-copper-cobalt concentrate allow for price adjustments based on the market price (see below) at the end of the relevant quotational period (QP) stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the ultimate selling price for nickel-copper-cobalt concentrate is based on the prevailing spot price averaged over a future contractually specified month following shipment to the customer. Adjustments to the sales price therefore occur based on movements in market prices of the contained metal up until the end of the QP. The period between initial recognition of the sale transaction and the end of the QP is generally between one to three months

Revenue from the sale of nickel-copper-cobalt concentrate is measured at the amount to which the Group expects to be entitled, being the one month average forward price for the expected month of settlement at the date the sales transaction is initially recognised, net of treatment and refining charges. A corresponding trade receivable is then recognised.

For provisional pricing arrangements, any future changes that occur over the QP are embedded within the trade receivables. Given the exposure to the commodity price, these provisionally priced trade receivables are measured at fair value through profit or loss from initial recognition until the date of settlement. Subsequent changes in fair value of the receivable are recognised in the profit or loss each period and presented separately as other revenue.

Shipping services

Under CIF incoterms, the Group is responsible for providing freight / shipping services after the date that the Group transfers control of the concentrate to its customers. The Group, therefore, has a separate performance obligation for freight / shipping services which are provided solely to facilitate the sale of the concentrate it produces.

For CIF arrangements, the transaction price (as determined above) is allocated to concentrate revenue and shipping services using the relative stand-alone selling price method. The consideration is received from the customer at, or around the date of shipment under a provisional invoice. Some of the upfront consideration that related to the shipping services yet to be provided was deferred. This is generally not material at the balance date. Shipping revenue is recognised over time using an output method (being days of shipping/transportation elapsed) to measure progress towards complete satisfaction of the service as this best represents the Group's performance. This is on the basis that the customer simultaneously receives and consumes the benefits provided by the Group as the services are being provided. The costs associated with these freight/shipping services are also recognised over the same period of time as incurred.

3. Revenue (continued)

Key estimates and judgements – Revenue

Application of the variable consideration constraint

Under the sales contract, adjustments are made to the transaction price for variations in assay and weight between the time of dispatch of the nickel-copper-cobalt concentrate and the time of final settlement. The Group estimates the amount of consideration receivable using the expected value approach based on internal assays. Management consider that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur due to variations in assay and weight.

Measurement of the transaction price:

The transaction price for metal concentrate is based on the average forward metal prices quoted on the London Metals Exchange (LME) at the date of shipment of the concentrate to the customer. The customer makes a provisional payment to the Group against a provisional invoice for the estimated payable value of the nickel, copper and cobalt dispatched in the shipment. Final settlement of the sales transaction is based on the average LME metal price over a subsequent pricing period as specified by the terms of the sales contract.

The period commencing on the date of shipment to the end of the pricing period is known as the Quotational Period (QP). The QP historically reflects the average time to elapse (generally one to three months) between the shipment arriving at the discharge port and the date of processing at the final destination. This pricing methodology is standard within the industry and represents an embedded derivative under AASB 9 Financial Instruments. Accordingly subsequent changes in fair value of the receivable is recognised within realised and unrealised price adjustments in the income statement in each period until final settlement. The revaluation of the receivable is performed up until the final invoice is issued. If the receivable goes into a credit balance it is reclassified at trade payables.

As at 30 June 2022, an unrealised fair value loss adjustment totalling $9.764 million (2021: nil) had been recognised for concentrate shipments that had not reached final settlement.

4. Other income

	2022 $000	**2021 $000**
Net gain on sale of subsidiary	-	7,659
Net gain on sale of investment	-	870
Net gain on sale of property, plant & equipment	1,817	23
Foreign exchange gains / (loss)	489	(127)
Sundry Income	359	1,733
Total other income	**2,665**	**10,158**

In the prior financial year the Group sold a 100% equity interest in Panton Sill Pty Ltd (PGM project), recording a profit on sale of $7.66 million. The sale comprised the disposal of an 80% interest on 17 December 2020 for a cash consideration of $12.0 million before costs. Great Northern Palladium exercised its option to acquire the remaining 20% equity interest the Company on 16 June 2021 for a cash consideration of $3.0 million before costs.

Foreign exchange gains includes the revaluation of a Canadian dollar receivable due from Clear Air Metals. The receivable forms part of the deferred consideration form the sale of Thunder Bay North PGM project that was settled on 15 May 2020. Sale proceeds (in part) are to be received by the Company in three equal instalments on the first, second and third anniversaries of the completion of sale.

During the year the Company sold obsolete inventory items for a gain of $240,000. In the prior year, the Company received JobKeeper income from the Australian Government totalling $1.279 million. These amounts are included in Sundry Income.

In the prior year the Company sold its remaining shareholding in listed companies Horizon Gold Limited and GME Resources Ltd. Consideration received from the sale of these investments totalled $1.8 million.

Accounting policy for Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

5. Expenses

Profit before income tax includes the following expenses:

	2022 $000	2021 $000
Cost of sales		
Cash costs of production	67,610	-
Shipping costs	7,490	-
Royalties	4,869	-
Inventory movement	(9,340)	-
Depreciation and Amortisation	8,152	-
Total cost of sales	**78,781**	**-**

(i) Pre-commercial production cost of sales included in the total above is $47.2 million

Recognition and measurement

Cash costs of production

Cash costs of production include ore and waste mining costs, processing costs, and site administration and support costs.

Inventory movement

Inventory movement represents the movement in the balance sheet inventory for run of mine ore stocks, concentrate stocks and consumables and stores items.

Refer to Note 18 for further details on the Group's accounting policy for inventory.

	2022 $000	2021 $000
Corporate and other expenses		
Corporate and administration	3,653	3,418
Employee remuneration and benefits expensed	2,449	3,209
Depreciation – property, plant and equipment not used in production	516	365
Total Corporate and other expense	**6,618**	**6,992**

Recognition and measurement

Employee remuneration

Wages, salaries and superannuation contribution expenses are recognised as and when employees render their services.

Refer to Note 24 for the accounting policy relating to short-term and long-term employee benefits.

Employee share-based payments

The accounting policy, key estimates and judgements relating to employee share-based payments are set out in Note 29.

Depreciation

The accounting policy relating to depreciation method's and estimated useful life is set out in Note 20.

6. Finance income and finance expense

	2022 $000	2021 $000
Finance income		
Interest income calculated using the effective interest rate method	224	403
Total finance income	**224**	**403**
Finance expense		
Interest on lease liabilities	(1,030)	(187)
Interest on debt and borrowings	(927)	-
Accretion interest on rehabilitation provision	(278)	(201)
Foreign exchange loss	(3,078)	-
Facility fees and charges	(212)	-
Other financing charges	-	(54)
Total finance expense	**(5,525)**	**(422)**

(i) Borrowing cost capitalised during the year amounted to $1.098 million

6. Finance income and finance expense (continued)

Recognition and measurement

Interest income is recognised as interest accrues using the effective interest method.

Finance costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, and finance charges in respect of finance leases.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale, which is generally taken to be more than twelve months. In these circumstances, borrowing costs are capitalised to the costs of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate to the extent that they relate to the qualifying asset. The weighted average capitalisation rate applied during the year was 4.99% (2021: nil).

Exploration and evaluation expenditure carried forward relating to areas of interest which have not reached a stage permitting reliable assessment of economic benefits are not qualifying assets.

Provisions and other payables are discounted to their present value when the effect of the time value of money is significant. The impact of the unwinding of these discounts is reported in finance costs. For accounting policy, key estimates and assumptions on provisions refer to Note 24

7. Income tax

Tax Expense	**2022 $000**	**2021 $000**
Current tax expense	**-**	**-**
Deferred tax expense	**-**	**-**
Total income tax expense per income statement	**-**	**-**

	2022 $000	**2021 $000**
Reconciliation of income tax benefit to prima facie tax		
Profit before income tax	**6.260**	**295**
Income tax expense / (benefit) at the Australian tax rate of 30% (2021: 30%)		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	**1,878**	**88**
Non-deductible expenses	212	97
Disposal of subsidiary	-	1,941
Non-assessable income	(34)	-
Recognition of tax losses	(2,056)	(2,126)
Income tax expense / (benefit)	**-**	**-**

Recognised tax assets and liabilities

	2022 $000	**2021 $000**
Deferred tax assets:		
Employee provisions	244	193
Other provisions & accruals	431	2,852
Unrealised FX movements	944	-
Rehabilitation liabilities	5,736	5,585
Right-of-use assets	-	596
R&D carry forward tax offsets	4,136	4,136
Tax losses	12,861	6,257
Other DTAs	207	235
Gross deferred tax assets	24,559	19,855
Set-off of deferred tax liabilities	(24,559)	(19,855)
Net deferred tax assets	**-**	**-**

7. Income tax (continued)

	2022 $000	2021 $000
Deferred tax liabilities:		
The balance comprises temporary differences attributable to:		
Prepayments	(27)	(20)
Plant & equipment	(2,046)	(1,616)
Right-of-use assets	(84)	-
Exploration and evaluation, and mine properties	(18,860)	(15,755)
Inventory	(2,044)	(2,462)
Derivative assets	(1,498)	-
Other DTLs	-	(2)
Gross deferred tax liabilities	(24,559)	(19,855)
Set-off of deferred tax assets	24,559	19,855
Net deferred tax liability	**-**	**-**

Recognition and measurement

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity are recognised in equity and not in the income statement. Management periodically evaluates tax positions taken with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided for using the full liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets and liabilities are reassessed at each balance sheet date and reduced to the extent that it is no longer probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

7. Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Key estimates and assumptions – Income tax

Judgement is required to determine whether deferred tax assets are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the timing and generation of sufficient future taxable profits in the same taxing jurisdiction to offset future expenditure such as rehabilitation costs.

Determining if there will be future taxable profits depend on management's estimates of the timing and quantum of future cash flows, which in turn depend on estimates of future production, sales volumes, exploration discoveries, economics commodity prices, operating costs, rehabilitation costs, capital expenditure, dividends and other capital management transactions.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to income tax expense within the income statement.

The Group has unrecognised temporary differences and carry forward losses for which no deferred tax asset is recognised on the balance sheet of A$68.46 million (2021: A$70.51 million) that have not been recognised as at reporting date as the Group has not yet determined if there will be sufficient future taxable profits available to recover these losses.

Tax Consolidation

The Company and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Panoramic Resources Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between entities should the head entity default on its tax payment obligations.

8. Earnings per share

Basic profit per share	**2022 Cents**	**2021 cents**
From continuing operations attributable to the ordinary equity holders of the Company	0.3	0.0

Diluted profit per share	**2022 Cents**	**2021 cents**
From continuing operations attributable to the ordinary equity holders of the Company	0.3	0.0

Reconciliation of profit used in calculating earnings per share

	2022 $000	**2021 $000**
Net profit attributable to equity holders of the parent	6,260	295

Weighted average number of shares used as denominator

	2022 Number	**2021 Number**
Weighted average number of ordinary shares used as the denominator in:		
Calculating - basic and diluted loss per share	2,050,914,004	2,050,914,004
Calculating - diluted loss per share	2,060,492,595	2,060,492,595

The weighted average number of ordinary shares used in the denominator in calculating diluted (loss) / earnings per share is not materially different to that used to calculate basic (loss) / earnings per share.

There are 29,630,644 performance rights on issue at 30 June 2022 (2021: 17,833,488) which are contingently issuable and have not been included in the calculation of diluted earnings per share. There were 28,520,525 options on issue at 30 June 2022 (2021: 28,520,525) which have an exercise price lower than the average market price of the ordinary shares this has resulted in a dilution to the calculation weighted average number of shares.

Capital and debt structure

This section contains information which will help users understand the management of the Group's capital and debt structure.

9. Cash and cash equivalents

	2022 $000	2021 $000
Cash at bank and on hand	21,757	15,160
Short-term deposits	-	9,077
	21,757	24,237

Recognition and measurement

Cash and cash equivalents in the consolidated balance sheet and consolidated statement of cash flows comprise of cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash with insignificant risk of change in value. The carrying amount for cash and cash equivalents equals the fair value.

Cash at bank earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate achieved for the year was 0.26% (2021: 0.37%).

Short term deposits are made for varying periods typically between one day and three months depending on the immediate cash requirements of the Group and earn interest at short term rates. If short term deposits have original maturity greater than three months, principal amounts must be able to be redeemed in full prior to scheduled maturity with no significant interest penalty otherwise the amounts will be classified as other financial assets. The weighted average interest rate achieved for the year was 0.89% (2021: 0.91%).

Deposits are held with various financial institutions with short term credit ratings of A-1+ (S&P). As these instruments have maturities of less than twelve months, the Group has assessed the credit risk on these financial assets using lifetime expected credit losses. In this regard, the Group has concluded that the probability of default on the deposits is relatively low. Accordingly, no impairment allowance has been recognised for expected credit losses on the term deposits.

Cash flow information

A reconciliation between cash and cash equivalents and net cash inflow from operating activities is as follows:

	2022 $000	2021 $000
Cash and cash equivalents in the statement of cash flows	21,757	24,237
Reconciliation of net profit after tax to net cash flows from operations:		
Profit for the period	6,260	295
Adjustments for:		
Depreciation and amortisation included in the income statement	8,668	5,028
(Gain) on disposal of plant and equipment	(1,817)	(22)
Property, plant and equipment written off	-	648
Reversal of impairment of assets	-	(14,187)
Interest income	-	(403)
Unrealised (gain) / loss on foreign currency exchange	-	127
Exploration and evaluation written off	844	945
Share- based payment	668	304
Unrealised QP price adjustments and foreign currency adjustments	10,413	-
Gain on sale of investments	-	(870)
Gain on sale of subsidiary	-	(7,659)
Other non-cash	-	-
FV movement in derivative financial instruments and foreign currency	(4,745)	-
Unrealised loss on foreign currency	3,078	-
Finance cost	1,308	422
Change in operating assets and liabilities:		
Increase in trade and other receivables	(318)	1,071
Increase in prepayments	(1,015)	(622)
Increase / (decrease) in trade creditors	14,136	(309)
Increase in inventories	(12,278)	(557)
Increase / (decrease)Increase in provisions	1,008	(1,635)
Net cash inflow / (outflow) from operating activities	**26,210**	**(17,424)**

9. Cash and cash equivalents (continued)

Reconciliation of liabilities arising from financing activities

	1 July 2021 $000	Cash flows $000	Non-cash charges: Interest $000	Non-cash charges: Leases recognised during the year $000	Non-cash charges: Foreign exchange movement $000	Non-cash charges: Loans recognised during the year $000	Other $000	30 June 2022 $000
Interest bearing liabilities - Trafigura	-	41,113	52	-	2,435	-	-	43,600
Interest bearing liabilities - Insurance	-	(763)	29	-	-	1,850	-	1,116
Lease liabilities	6,183	(10,061)	1,320	36,677	-	-	(2,302)	31,815
Total liabilities from financing activities	**6,183**	**30,289**	**1,401**	**36,677**	**2,435**	**1,850**	**(2,302)**	**76,532**

	1 July 2020 $000	Cash flows $000	Non-cash charges: Interest $000	Non-cash charges: Leases recognised during the year $000	Non-cash charges: Foreign exchange movement $000	Non-cash charges: Loans recognised during the year $000	Other $000	30 June 2021 $000
Interest bearing liabilities	-	-	-	-	-	-	-	-
Lease liabilities	7,251	(1,171)	167	-	-	-	(64)	6,183
Total liabilities from financing activities	**7,251**	**(1,171)**	**167**	**-**	**-**	**-**	**(64)**	**6,183**

10. Trade and other payables

	2022 $000	2021 $000
Current		
Trade and other payables – at amortised cost	3,768	1,700
Trade payables – at fair value	10,413	-
Accrued expenses	14,756	2,688
Total	**28,937**	**4,388**

Recognition and measurement

Trade and other payables at amortised cost represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are generally unsecured and are usually paid within 60 days of recognition. They are initially measured at fair value and subsequently carried at amortised cost. The carrying value ofthese payables approximates their fair value.

Trade payable carried at fair value, include reclassified trade receivables that are in credit at balance sheet date (Refer to Note 3 and 17). The fair value of the liability has been estimated using forward market commodity prices at 30 June 2022 for nickel US$22,676/t, copper US$8,264/t and cobalt US$70,239/t which comprises contained metal totalling nickel 1,366t, copper 819t and cobalt 89t. This liability is payable to the Company’s offtake customer. Refer to Note 17 for further information.

11. Borrowings

	2022 $000	2021 $000
Current liabilities		
External loan	7,528	-
Other loans	1,116	-
Total current liabilities	**8,644**	-
Non-current liabilities		
External loan	36,072	-
Other loans	-	-
Total non-current liabilities	**36,072**	**-**

11. Borrowings (continued)

Recognition and measurement

All loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised and through the amortisation process.

External loan

The Group has a secured loan facility with Trafigura Pty Ltd for US $45.0 million. The facility has two secured tranches comprising a US$30.0 million five-year Prepayment Loan Facility (PLF) and a US$15.0 million Revolving Credit Loan Facility (RCF). The PLF was drawn down on 24 September 2021 and has a five-year term from 1 July 2021 with interest-only repayments required in the first 12 months. Debt repayments begin in August 2022 and are sculpted to align with project cash flows.

The RCF has an 18-month term from the drawdown of the PLF and has the option (at the Company's election) to be repayable by way of a final bullet repayment of US$15.0 million at the end of the facility term being 24 March 2023 (RCF Tranche only). The RCF was undrawn at 30 June 2022. Subsequent to the end of the financial year on the 24 August 2022 the Company announced to the ASX, it had commenced a US$15.0 million drawdown from the RCF. Proceeds from the drawdown were received on the 30 August 2022. Further information is provided in Subsequent Events Note 32.

Both facilities are subject to the same interest rate which comprises the three-month LIBOR plus an interest margin. The facilities have no ongoing commitment fees. There are no requirements to undertake commodity hedging. At the Company's election, the facility can be repaid in full (ahead of schedule) without penalty.

The security pledge to Trafigura for the two facility limits comprise a fixed and floating charge over all the assets and undertakings of Savannah Nickel Mines Pty Ltd (Savannah) and Pan Transport Pty Ltd together with a mining mortgage over six key project tenements. Panoramic Resources Ltd (Panoramic) has provided a security pledge over both the shares it holds in Savannah and the intercompany loan receivable due from Savannah. A corporate guarantee has also been provided by Panoramic to Trafigura.

The facility has a limited number of financial and reporting covenants that are largely aligned with the ASX disclosure requirements for half year and full year reporting. At 30 June 2022, the Company was in compliance with these requirements.

The carrying value of the PLF at 30 June 2022 is A$43.6 million (US$30.0 million). A $2.435 million (2021: nil) unrealised foreign currency loss has been recognised in the income statement at 30 June 2022 as a result of AUD:USD exchange rate movements since the PLF was drawn down.

During the year, the Group incurred interest expenses totalling US$1.9 million (AUD$2.6 million) on account of this loan facility. Interest expense capitalised during the year amounted to $1.098 million.

Other loans

The Group has arranged a facility with Attvest Finance Pty Ltd to fund Insurance Premiums totalling $1.85 million. The facility commenced on 31 March 2022 to fund the Group's FY2023 insurance program. The term of the facility is 10 months to December 2022 with monthly repayments of $0.19 million. As at 30 June 2022 the remaining loan balance to be repaid was $1.12 million.

12. Lease liabilities

	2022 $000	2021 $000
Current	9,886	1,445
Non-current	21,929	4,738
Total	**31,815**	**6,183**

In the 2022 financial year, lease liabilities had an average term of 3.3 years (2021: 6 years)

Movement in Lease Liabilities	2022 $000	2021 $000
Additions	36,677	-
Interest expense	1,320	167
Payments	(9,707)	(1,171)
Disposals	(2,658)	-
Adjustment	-	(64)
Total	**31,815**	**6,183**

12. Lease liabilities (continued)

Recognition and measurement

Lease liabilities – Group as Lessee

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between one and ten years, while motor vehicles and other equipment generally have lease terms between one and five years.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Lease liabilities include right-of-use assets for the onsite power station at the Savanah Nickel Project, Barminco mining equipment, buses, loaders, fuel storage system, storage and ship loading facilities at the Wyndham port and the rental of the corporate office space in Perth.

13. Financial risk management objectives and policies

The Group’s principal financial instruments comprise receivables, payables, leases, borrowings, cash and derivatives.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group’s financial risk management policy. The objective of the policy is to support the delivery of the Group’s financial targets whilst protecting future financial security.

To manage exposure to commodity prices and exchange rates the Group uses derivative instruments, principally USD fixed forward metal swaps and forward foreign currency exchange rate contracts. The purpose is to manage commodity price and currency rate risks arising from the Group’s operations. These derivatives are entered into based on limits set by the Board. The main risks arising from the Group's financial instruments are commodity price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to commodity prices, interest rate and foreign currency exchange risks and assessments of market forecasts for commodity prices and foreign exchange.

Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for the identification and control of these financial risks rests with the Audit and Governance Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below including the setting of limits for hedging cover of commodity prices, foreign currency and interest rate risk, credit allowances and future cash flow forecast projections.

The Group uses different methods to measure and manage different types of risks to which it is exposed.

13. Financial risk management objectives and policies (continued)

Foreign currency exchange rate risk

The Group has transactional currency exposures. Such exposure arises from sales or purchases in a currency other than the entity's functional currency. For the year ended 30 June 2022, 100% of the Group's sales were denominated in United States Dollars ("USD") (2021: nil), whilst most of the costs are denominated in Australian Dollars ("AUD"). All entities in the Group have an Australian dollar functional currency.

The Group's income statement and balance sheet can be affected significantly by movement in the AUD:USD exchange rate. The Group seeks to mitigate the effects of its net foreign currency exposure by using derivative instruments principally forward foreign currency exchange rate contracts.

It is the Group's policy to, where practical, enter into derivative instruments to manage foreign currency exposures once the likelihood of such exposures is highly probable, and to negotiate the terms of the derivatives to exactly match the terms of the underlying transaction. The Group will follow its currency policy of matching and hedging up to 80% of sales revenues in USD where practical.

As at 30 June 2022, the Group had the following exposure to foreign currencies:

	2022 $000	2021 $000
Cash at bank (USD)	7,825	-
Trade creditors at fair value (USD)	(10,413)	-
Other receivables (CAD)	1,603	2,769
External loan (USD)	(43,600)	-
Derivatives (USD)	4,992	-
Net Exposure	**(39,593)**	**2,769**

The other receivable relates to deferred sale proceeds arising from the sale of a wholly owned subsidiary in the 2020 financial year (Thunder Bay North Project).

Sensitivity analysis

The following sensitivities are based on the foreign currency risk exposures in existence at the balance sheet date.

USD: The +/- 10% (2021: +/- 10%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of actual historical rates, for the AUD to the USD, for the preceding 5 years and management's expectation of future movements. As at 30 June 2022, the Group had $3.44 million USD currency risk exposures.

CAD: The +/- 10% (2021: +/- 10%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of actual historical rates, for the AUD to the CAD, for the preceding 5 years and management's expectation of future movements. As at 30 June 2022, the Group had $1.5 million CAD currency risk exposures.

At 30 June 2020, had the currencies moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Effect on profit before tax		**Impact on other equity**	
Judgements of reasonably possible movements	**2022 $000**	**2021 $000**	**2022 $000**	**2021 $000**
AUD to USD +10% (2021: 10% increase)	6,682	-	-	-
AUD to USD +10% (2021: 10% increase)	(8,380)	-	-	-
AUD to CAD +10% (2021: 10% increase)	(146)	126	-	-
AUD to CAD +10% (2021: 10% decrease)	178	(103)	-	-

Management believes the balance sheet date risk exposures are a representative estimate of the risk inherent in the financial instruments.

Interest rate risk

The Group has put in place a Cash Management Policy to ensure that excess cash holdings are invested with a range of institutions that have sufficient financial strength to ensure the security of the investments. The Group policy is to reduce and manage cash flow interest rate risk by ensuring a timely reduction in debt obligations through scheduled debt repayments and non-scheduled debt repayments when excess cash is available. The Group has the following exposure at 30 June 2022.

	2022		2021	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Deposits at call	0.8%	21,757	0.2%	24,237
Cash restricted or pledged	0.9%	291	0.6%	221
External loans	3-month LIBOR + interest margin	(43,600)	-	-
		(21,552)		**24,458**

13. Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Sensitivity analysis

The following sensitivities are based on 100 basis point change in interest rates at the reporting date.

Judgements of reasonably possible movements	Effect on profit before tax		Impact on other equity	
	2022 $000	2021 $000	2022 $000	2021 $000
Increase 1.0% (2021: 1.0%)	216	-	-	-
Decrease 1.0% (2021: 1.0%)	(216)	-	-	-

Commodity price risk

The Group's exposure to commodity metal prices is very high as the majority of total revenue comes from the sale of nickel, copper and cobalt. Nickel, copper and cobalt is sold on the basis of USD prices quoted on the London Metal Exchange.

The Group's profit and loss account and balance sheet can be affected significantly by movements in metal prices on the London Metal Exchange. The Group seeks to mitigate the effect of its metal price exposure by using derivative instruments, principally forward sales contracts and put and call options. The limits of hedging are set by the Board, and are actively monitored.

The following table summaries the sensitivity of the Group's financial assets and financial liabilities to commodity price risk.

		Commodity price risk			
		-30%		+30%	
At 30 June 2022	Gross exposure $'000	Impact on post tax profit $'000	Impact on other equity $'000	Impact on post tax profit $'000	Impact on other equity $'000
Judgements of reasonably possible movements:					
QP mark to market	47,096	(10,124)	-	9,890	-
Derivatives	4,992	(5,090)	-	6,618	-
Total decrease	**52,088**	**(15,214)**	**-**	**16,508**	**-**

		Commodity price risk			
		-30%		+30%	
At 30 June 2021	Gross exposure $'000	Impact on post tax profit $'000	Impact on other equity $'000	Impact on post tax profit $'000	Impact on other equity $'000
Judgements of reasonably possible movements:					
Accounts receivable	-	-	-	-	-
Derivatives	-	-	-	-	-
Total increase / (decrease)	**-**	**-**	**-**	**-**	**-**

The +/- 30% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical prices for the preceding 5-year period and management's expectation of future movements.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments.

The Group's maximum exposure to credit risk at reporting date is in relation to each class of recognised financial assets, other than derivatives. The carrying amounts of these assets are as indicated in the balance sheet.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in relation to net settled derivatives is the total mark to market gain, should counterparts not honour their obligations. In the case of gross-settled derivatives, the maximum exposure is the notional value. Gross-settled derivatives are held with financial institutions with sound credit rating.

Cash and cash deposits are held in banks and financial institutions with high credit ratings.

At 30 June 2022, the Group had a concentration of credit risk in that it depended on one major customer for a significant volume of revenue. As at 30 June 2022, there were no receivables due from the offtake counterparty.

13. Financial risk management objectives and policies (continued)

Credit risk (continued)

Under the Group's risk management framework, each customer is analysed individually for creditworthiness on an ongoing basis in order to minimise the risk of default. The Group believes that its customers are of sound creditworthiness as evidenced by the compliance with the off-take agreement's payment terms over the life of each project. Refer to Notes 10 and 17 for disclosures in relation to expected credit losses on financial assets carried at amortised cost.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

Equity risk

During the prior financial year the Group disposed of all share investments held in listed entities. The Group was exposed to equity securities price risk prior to the disposal.

The fair value of these investments was based on quoted market prices.

The Group was not exposed to material movement in equity risk exposures during the financial year ended 30 June 2022.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding when necessary and the ability to close-out market positions.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans (when required), leases and committed available credit lines.

The Group regularly monitors rolling forecasts of liquidity on the basis of expected cash flows.

The Group has put in place a Group Cash Management Policy to ensure that excess cash holdings are invested with a range of institutions that have sufficient financial strength to ensure the security of the investment. This policy is reviewed and approved by the Board on a regular basis. When bank loans are used the Group's policy is to reduce and manage cash flow interest rate risk by ensuring a timely reduction in debt obligations through scheduled debt repayments and non-scheduled debt repayments when excess cash is available.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2022	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Contractual maturities of financial liabilities					
Trade payables	28,937	-	-	28,937	28,937
Lease liabilities	11,103	22,174	1,038	34,315	31,124
Secured loan facility	10,751	39,842	-	50,593	43,600
Insurance premium funding	1,143	-	-	1,143	1,116
	51,934	**62,016**	**1,038**	**114,988**	**104,777**

At 30 June 2021	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Contractual maturities of financial liabilities					
Trade payables	4.388	-	-	4,388	4,388
Lease liabilities	1,755	3,835	1,711	7,301	6,183
	6,143	**3,835**	**1,711**	**11,689**	**10,571**

14. Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

Disclosure of fair value measurements is by level using the following fair value measurement hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table represents the fair value measurement hierarchy of the Group's assets and liabilities at 30 June 2022 and 30 June 2021 carried at fair value.

At 30 June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Trade receivables at fair value through profit and loss	-	-	-	-
Derivative instruments	-	4,992	-	4,992
Financial assets at fair value measure at fair value	6	-	-	6
Total assets	**6**	**4,992**	**-**	**4,998**

At 30 June 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Trade receivables at fair value through profit and loss-	-	-	-	-
Financial assets at fair value measure at fair value	12	-	-	12
Total assets	**12**	**-**	**-**	**12**

At 30 June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Trade Payables (unrealised QP loss – at fair value)	-	10,413	-	10,413
Total liabilities	**-**	**10,413**	**-**	**10,413**

At 30 June 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Trade payables	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

The carrying value of other financial assets and liabilities as at 30 June 2022 approximate fair value.

The fair values of trade receivables / payables classified as financial assets at fair value through profit or loss are determined using market observable inputs sourced from the London Metal Exchange pricing index. These instruments are included in Level 2.

The fair value of derivative financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These techniques include comparing contracted rates to market rates with the same length of maturity to determine the value of forward contracts. These instruments are included in Level 2. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3.

Key estimates and assumptions – Fair value measurement

When the fair values of assets or liabilities are recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including discounted cash flow models.The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

15. Dividends

(a) Ordinary shares

No final dividend was paid for the year ended 30 June 2022 (30 June 2021: Nil)

(b) Dividends not recognised at the end of the reporting period

No dividend has been declared since the end of the reporting period.

Franking credits

Franking credit balance

	2022 $000	2021 $000
The amount of franking credits available for the subsequent financial year are:		
Franking account balance at the end of the financial year at 30% (2021: 30%)	10,503	10,503
	10,503	**10,503**

Invested capital

This section provides information on how the Group invests and manages its capital.

16. Derivative financial instruments

	2022 $000	2021 $000
Current Assets:		
Forward commodity contracts	4,992	-
Total current derivative financial instrument assets	4,992	-

Recognition and measurement

The Group uses derivatives such as USD nickel and copper forward sales contracts, USD nickel options, USD denominated currency options and USD denominated forward currency sales contracts to manage its risks associated with foreign currencies and commodity price fluctuations. These derivative financial instruments are stated at fair value.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

The Group actively manages USD nickel price risk for each concentrate shipment by protecting a portion of the nickel cash flow received from provisional invoicing. The Group's policy allows the Group to enter into derivatives to protect up to 80% of the estimated payable volume in each shipment. This leaves the company with a modest position with full exposure to movements in the nickel price. The intent of these derivatives are to manage metal pricing risk and cash flow during the period from provisional invoice / cash receipt through to final invoice following the QP.

During the year, the Company executed USD forward contracts with Macquarie Bank for 1,686t of nickel metal achieving an average price of US$25,064/t.

As at 30 June 2022 outstanding derivatives total 900t and represents 50% of the contained metal in shipments that have not been finalised. The average price achieved for this unsettled hedging is US$27,942/t.

The unrealised gain on these derivatives at 30 June 2022 was A$5.0 million (2021: nil).

17. Trade and other receivables

	2022 $000	2021 $000
Current		
Trade receivables – at fair value	-	-
GST and fuel tax credit receivable – at amortised cost	2,090	504
Other receivables – at amortised cost	1,707	1,438
Total current	**3,797**	**1,942**
Non-current		
Trade receivables – at fair value	-	-
Other receivables – at amortised cost	-	1,536
Total non-current	**-**	**1,536**

17. Trade and other receivables (continued)

Recognition and measurement

Receivables are classified at initial recognition, and subsequently measured at amortised cost or fair value through profit or loss. The classification of receivables at initial recognition depends on the receivable's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables the Group initially measures a receivable at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are initially measured at the transaction price determined in accordance with the accounting policy for revenue.

In order for a receivable to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

There are no contract assets, for which consideration is conditional that have been recognised from contracts with customers.

All receivables are current and not past due.

Trade receivables

Trade receivables are subject to provisional pricing and are exposed to the commodity price risk which causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of the recognition of the corresponding sale, with the subsequent movements in fair value being recognised in the comprehensive income statement.

Under the current offtake agreement, on presentation of ship loading documents and the provisional invoice, the customer settles 100% of the provisional sales invoice value within approximately 7 days. At the conclusion of the provisional pricing period a final invoice is issued with the difference between the provisional value and final value settled in approximately 5 days upon presentation of the final invoice. Sales are invoiced and received in US dollars (US$).

As at 30 June 2022, there were no (2021: nil) trade receivables due to the Company. A current liability has been recognised for the fair value measurement of provisional concentrate sales not finalised at year end. The liability has been estimated using forward market commodity prices at 30 June 2022 for nickel US$22,676/t, copper US$8,264/t and cobalt US$70,239/t. A unrealised fair value loss adjustment totalling $9.764 million (2021: nil) is payable to the Company's offtake customer. See Note 10 for further details.

The amount of realised fair value changes recognised in the income statement during the year ended 30 June 2022 (on account of current year concentrate sales) was $11.79 million (2021: $0.139 million).

Other receivables

Sundry debtors are non-interest bearing and have repayment terms between 30 and 90 days. There is an insignificant probability of default as sundry debtors are short term, have no history of default and customers have passed the Group's internal credit assessment.

Other receivables include the final instalment from the sale of the Thunder Bay North Project (sold in the 2020 financial year) totalling C$1.5 million. This amount is due to be received in May 2023. The consideration receivable is measured using the effective interest rate method.

Foreign currency exchange rate and interest rate risk

Trade receivables is exposed to movements in AUD:USD exchange rates and commodity prices during the quotational period.

Information on foreign currency exchange and interest rate risk is provided in Note 13.

Fair value and credit risk

Information on fair value and credit risk is provided in Note 13 and 14.

18. Inventories

	2022 $000	2021 $000
Current		
Nickel ore stocks on hand	-	-
Concentrate stocks on hand	9,340	-
Stores and consumables	3,495	557
Total	**12,835**	**557**

Recognition and measurement

Stores, consumables, ore and concentrate stocks are stated at the lower of cost and net realisable value.

For ore and concentrate inventory, costs are assigned to individual items of inventory on the basis of weighted average costs. Costs include direct materials, direct labour and a proportion of variable and fixed overhead expenditure which is directly related to the production of inventories to the point of sale.

18. Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories expected to be processed or sold within twelve months after the balance sheet date, are classified as current assets.

Key judgement - *Cost of inventory produced prior to commercial production*

The determination of cost of inventory produced prior to Commercial Production requires judgement and was based on estimated mining and processing cost per tonne expected to be achieved over the life of mine.

Amounts recognised in profit or loss

Product inventory movement during the year ended 30 June 2022 amounted to an expense of $66.42 million (2021: nil) and is disclosed as part of cost of sales in Note 5.

19. Exploration and evaluation and mine development

Reconciliation of the carrying amounts for each class of property, plant and equipment is set out below.

2022	**Mine development expenditure $000**	**Exploration expenditure $000**	**Total $000**
Opening net carrying amount	136,076	5,551	141,627
Additions	65,555	844	66,399
Depreciation charge	(4,588)	-	(4,588)
Transfers between other asset classes	503	-	503
Written-off to profit and loss	-	(844)	(844)
Reversal of impairment loss	-	-	-
Remeasurement of rehabilitation provision	(3,980)	-	(3,980)
Closing net carrying amount	**193,566**	**5,551**	**199,117**
At 30 June 2022			
Gross carrying amount – at cost	383,487	5,551	392,580
Accumulated amortisation and impairment	(189,921)	-	(193,463)
Net carrying amount	**193,566**	**5,551**	**199,117**

2021	**Mine development expenditure $000**	**Exploration expenditure $000**	**Total $000**
Opening net carrying amount	86,695	12.535	99,230
Additions	-	996	996
Assets disposed		(7,035)	(7,035)
Depreciation charge	-	-	-
Transfers between other asset classes	39,101	-	39,101
Written off to profit and loss		(945)	(945)
Reversal of impairment loss	11,423	-	11,423
Remeasurement of rehabilitation provision	(1,143)	-	(1,143)
Closing net carrying amount	**136,076**	**5,551**	**141,627**
At 30 June 2021			
Gross carrying amount – at cost	321,462	5,551	327,013
Accumulated amortisation and impairment	(185,386)	-	(185,386)
Net carrying amount	**136,076**	**5,551**	**141,627**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals, or the sale of the respective areas of interest.

Recognition and measurement

Mine Development

Mine development assets include costs incurred in accessing the ore body and costs to develop the mine to the production phase once the technical feasibility and commercial viability of a mining operation has been established. At this stage, exploration and evaluation assets are reclassified to mine properties and tested for impairment.

Mine property and development assets are stated at historical cost less accumulated amortisation and any accumulated impairment losses recognised. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the estimate of the rehabilitation costs, and for qualifying assets (where relevant), borrowing costs. Any ongoing costs associated with mining which are considered to benefit mining operations in future periods are capitalised.

19. Exploration and evaluation and mine development (continued)

Commercial Production

The determination of when a mine and processing facility ("Mine") is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of significant judgement. Management considers several factors in determining when a Mine has reached levels of operating capacity intended by management, these include;

- When the Mine is substantially complete i.e. constructed, installed and / or refurbished and ready for its intended use;
- The Mine has the ability to sustain ongoing production at a steady or increasing level;
- The Mine has reached a level of pre-determined production being a substantial percentage of design capacity;
- Mineral recoveries are at or near the expected production level; and
- A reasonable period of testing of the mine, plant and equipment has been completed.

Once in Commercial Production, the capitalisation of certain mine development and construction costs cease, and amortisation of the mine property commences. Subsequent costs are either regarded as forming part of the cost of inventory or are expensed. Any costs relating to mining asset additions or improvements, or mineable reserve development, are assess to determine whether capitalisation is appropriate.

The Savannah Nickel Project achieved Commercial Production from 1 April 2022.

Rehabilitation asset

The present value of the expected cost for the decommissioning, restoration and dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Note 24 Provisions for further information about the recognised decommissioning provision.

Depreciation and amortisation

Depreciation and amortisation are calculated on units of ore extracted basis over the life of the mine.

Exploration and Evaluation

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method.

Acquisition costs are carried forward at cost where rights to tenure of the area of interest are current and it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and / or exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration and Evaluation expenditure subsequent to acquisition on an area of interest which has not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves is capitalised as incurred.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated and a decision to develop has been made, any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Pledged as security

Refer to Note 11 Borrowings for information on exploration tenements that are subject to a security pledge.

Impairment

The carrying value of capitalised mine development is assessed for impairment at the cash-generating unit level whenever circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The Group's policy for the impairment of non-financial assets is disclosed in Note 22.

Key estimates and assumptions – Ore Reserve and Mineral Resource

The recoverable amount of property, plant and equipment including mine development is dependent on the Group's estimate of the Ore Reserve that can be economically and legally extracted. The Group estimates its Ore Reserve and Mineral Resource based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of Ore Reserves is based on factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body and removal of waste material. Changes in these estimates may impact upon the carrying value of mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets,inventory as well as depreciation and amortisation charges during the period.

20. Property, plant and equipment

Reconciliation of the carrying amounts for each class of property, plant and equipment is set out below.

2022	Land and buildings $000	Plant and equipment $000	Capital WIP $000	Total $000
Opening net carrying amount	6,268	18,167	1,276	25,711
Additions	-	-	4,767	4,767
Transfers between other asset classes	383	3,402	(3,785)	-
Depreciation charge through profit or loss	(403)	(1,096)	-	(1,499)
Depreciation charge transfer to Mine Development	(1,405)	(1,484)	-	(2,889)
Disposals	-	(404)	-	(404)
Closing net carrying amount	**4,843**	**18,585**	**2,258**	**25,686**
At 30 June 2022				
Gross carrying amount – at cost	48,297	98,277	2,258	148,832
Accumulated depreciation	(43,454)	(79,692)	-	(123,146)
Net carrying amount	**4,843**	**18,585**	**2,258**	**25,686**

2021	Land and buildings $000	Plant and equipment $000	Capital WIP $000	Total $000
Opening net carrying amount	13,905	16,220	21,053	51,178
Additions	-	-	14,834	14,834
Transfers between other asset classes	(6,589)	1,506	(34,016)	(39,099)
Depreciation charge	(1,048)	(1,876)	-	(2,924)
Impairment reversal	-	2,317	53	2,370
Disposals	-	-	(648)	(648)
Closing net carrying amount	**6,268**	**18,167**	**1,276**	**25,711**
At 30 June 2021				
Gross carrying amount – at cost	49,319	102,147	1,276	152,742
Accumulated depreciation	(43,051)	(83,980)	-	(127,031)
Net carrying amount	**6,268**	**18,167**	**1,276**	**25,711**

Recognition and measurement

Plant and equipment

Plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item flow to the Group and the cost of the item canbe measured reliably. Where an asset undergoes a rebuild, the carrying amount of a replaced part is de-recognised. All other repairs and maintenance costs are recognised in the income statement as incurred.

Costs incurred on plant and equipment that do not meet the criteria for capitalisation are expensed as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation

Depreciation and amortisation are calculated on a straight line basis or units of production over the estimated useful lives of the asset. The estimated useful lives used for each class of asset are as follows:

Category	Depreciation method
Office equipment	3 – 4 years
Office furniture and fittings	5 years
Motor vehicles and mobile equipment	4 – 5 years
Processing plant and buildings	Unit of production over life of mine / life of asset

20. Property, plant and equipment (continued)

Pledged as security

Refer to Note 11 Borrowings for information on plant and equipment that are subject to a security pledge.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicated the carrying value may not be recoverable. The Group's policy for the impairment of non-financial assets is disclosed in Note 22.

21. Right-of-use assets

	Land and buildings $000	Plant and equipment $000	Total $000
As at 1 July 2021	**695**	**3,500**	**4,195**
Additions	806	30,119	30,925
Transfer between asset classes	-	2,515	2,515
Disposal	-	(2,720)	(2,720)
Depreciation expense through profit or loss	(317)	(2,264)	(2,581)
Depreciation expense transfer to Mine Development	(20)	(5,969)	(5,989)
As at 30 June 2022	**1,184**	**28,635**	**29,819**

	Land and buildings $000	Plant and equipment $000	Total $000
As at 1 July 2020	**1,062**	**4,896**	**5,985**
Adjustments	12	-	12
Disposal	(64)	-	(64)
Depreciation expense	(361)	(1,743)	(2,104)
Impairment reversal (Note 22)	49	347	393
As at 30 June 2021	**695**	**3,500**	**4,195**

Recognition and measurement

Right-of-use asset – Group as lessee

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Pledged as security

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements to the lessor in the event of default. At 30 June 2022, the carrying amounts of assets pledged as security for current and non-current lease liabilities were $29.819 million (2021: $4.195 million).

Depreciation

The depreciation is calculated as straight line over the shorter of the lease term and life of the asset:

Impairment

The Group's policy for the impairment of non-financial assets is disclosed in Note 22.

22. Impairment of non-financial assets testing for impairment

Recognition and measurement

The Group assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired.If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

22. Impairment of non-financial assets testing for impairment (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would be determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

The Group has one cash generating unit (CGU) comprising the Savannah Nickel Project.

Impairment charge / reversal

A impairment assessment was undertaken at 30 June 2022 which considered the progress made with the ramp-up of production at the CGU together with updated capital and operating costs, improvements in commodity prices and foreign exchanges rates for AUD:USD. The assessment concluded that there were no indicators of impairment for the year ended 30 June 2022 and no requirement to recognise an impairment charge. There were however reversal indicators with respect to prior year impairment charges (not yet reversed).

In assessing whether an impairment reversal is required at 30 June 2022, the carrying amount of the CGU was compared with its estimated recoverable amount at 30 June 2022. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). Given the nature of the Group's activities, the FVLCD for the CGU (a Level 3 fair value measurement) was estimated based on discounted future cash flows (expressed in real terms) expected to be generated from the continued use of the CGU using market-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, and the latest life of mine plans. The cash flows were discounted using a real post tax discount rate that reflected market assessments of the time value of money and the risks specific to the CGU. Price sensitivities were considered in the assessment which included both consensus, high and low value inputs into the financial model. A valuation range was developed which then formed the basis for the accounting treatment.

The FVLCD assessment at 30 June 2022 confirmed, based on a range of reasonably possible outcomes, the results did not support the reversal of any previous impairment.

The determination of FVLCD is most sensitive to the following key assumptions:

- production volumes;
- commodity prices and exchange rates;
- capital and operating costs; and
- discount rates.

Production Volumes

In calculating FVLCD, production volumes and grades were derived from the latest mineral resource estimate and ore reserve estimates and represent the estimated recoverable mining inventory incorporated into a detailed mine design and life of mine plan as part of the long-term planning process. The production volume incorporated into the cash flow model was 9.9 million tonnes ore at an average grade of 1.23% per tonne nickel, 0.53%/t copper and 0.08%/t cobalt for an approximate 11-year mine life.

Production volumes are dependent on a number of variables, such as the underlying resource and reserve estimation, estimates of mining dilution and recoveries, geotechnical assumptions, assessments of ventilation requirements, the production profile, mining productivity, estimates of the costs of extraction and processing, metallurgical recoveries, the contractual duration of mining rights, refining and offtake terms, and the selling price of the commodities extracted.

These assumptions are then assessed to ensure they are consistent with what a market participant would estimate.

22. Impairment of non-financial assets testing for impairment (continued)

Commodity Prices and Exchange Rate

Forecast commodity prices and exchange rates (US Dollar to Australian Dollar) are based on management's estimates and are derived from forward price curves and long terms views of global supply and demand, interest and inflation rates, building on past experience of the industry and consistent with external sources. Estimated long term nickel and copper prices and AUD:USD exchange rates used in the estimation of future revenues were as follows:

Economic Assumptions	FY2023	FY2024	FY2025	FY2026	FY2027 On
Nickel (USD per tonne)	22,086	19,320	18,063	18,047	17,637
Copper (USD per tonne)	8,785	7,995	7,354	7,439	7,716
Cobalt (USD per tonne)	64,551	61,354	58,731	52,668	49,515
USD to AUD exchange rate	0.73	0.75	0.75	0.75	0.75

Capital and Operating Costs

Capital and operating costs have been derived from a review of actual expenditure by management, updated for current market conditions and cost escalation with reference to historical data where relevant. Costs have been benchmarked against industry experience. Current contracts for the supply of goods and services have been incorporated where applicable. Estimates have been included in the discounted cash flow analysis for corporate costs and corporate taxation that a purchaser would incur.

Discount Rates

In determining FVLCD, a real post-tax discount rate of 8.0% was applied to the post tax cash flows expressed in real terms. The discount rate is derived from an estimate of the post-tax market rate based on a market participant's weighted average cost of capital. The WACC takes into account an estimation of the mix of debt and equity funding and associated costs of each funding source. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on an estimate of the funding debt cost that the Group would be able to secure, with reference to past costs. Risk is incorporated by applying beta factors.

Project Ramp-up

The discounted cash flow analysis assumes that operations at the Savannah Nickel Project will continue to ramp up over FY2023 to design levels of productivity.

Prior year impairment reversal

On 6 April 2021, the Company announced to the ASX a decision had been made to re-start operations at the Savannah Nickel Project in the second half of CY2021. The announcement referred to numerous positive developments which underpinned the decision. The decision to restart operations at the Savannah Nickel Project and the improved commodity prices were considered to be impairment reversal indicators for impairment losses recognised in prior periods, and as such, a formal estimate of the recoverable amount of the nickel cash generating unit (CGU) was performed at 30 June 2021.

The FVLCD valuation at 30 June 2021 exceeded the $146.811 million carrying amount (before impairment reversal) of the CGU's assets and as such an impairment reversal of $14.186 million was recorded in the year ending 30 June 2021. The reversal was allocated against property, plant and equipment, development properties and mineral properties on a proportional allocation basis with reference to the treatment of the prior year impairment loss.

	2022 $000	2021 $000
Impairment losses / write-downs		
Impairment reversal of property, plant and equipment	-	2,370
Impairment reversal of right-of-use assets	-	393
Impairment of reversal of mine development	-	11,423
Total	**-**	**14,186**

23. Commitments

Exploration and mining lease expenditure commitments

In order to maintain rights of tenure to exploration and mining tenements, the Group will be required to outlay the amounts disclosed in the table below. These amounts are discretionary, however if the expenditure commitments are not met then the associated exploration and mining leases may be relinquished.

Mineral tenements' expenditure commitments as at 30 June are as follows:

	2022 $000	2021 $000
Within one year	555	519
After one year but not more than five years	2,080	2,082
More than five years	817	1,176
Total payments	3,452	3,777

24. Provisions

	2022 $000	2021 $000
Current		
Employee benefits – annual leave	705	474
Employee benefits – long service leave	59	153
Provision – other	1,069	-
Restructuring costs	-	87
Total current	1,833	714
Non-current		
Employee benefits	43	10
Rehabilitation, restoration and dismantling	19,855	23,556
Total non-current	19,898	23,566
Total provisions	**21,737**	**24,280**

The movement in the rehabilitation, restoration and dismantling provision during the financial year is set out below.

	2022 $000	2021 $000
Carrying amount at start of year	23,527	24,498
Unwinding of discount	278	201
Inflation and discount rate adjustments	(3,950)	(1,143)
Carrying amount at end of year	19,855	23,556

Recognition and measurement

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value of the provision reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the unwinding of the discounting on the provision is recognised as a finance cost.

Rehabilitation, restoration and dismantling

Dismantling and restoration costs are a normal consequence of mining, and the majority of the expenditure is incurred at the end of a mine's life. The Group recognises a provision for the estimate of the future costs of restoration activities on a discounted basis at the time of exploration or mining disturbance. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred by the development / construction of the asset. Rehabilitation and restoration obligations arising from the Group's exploration activities are recognised immediately in the income statement.

24. Provisions (continued)

If a change to the estimated provision results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the related asset, the Group considers whether this is an indication of impairment of the asset. If the revised assets, net of rehabilitation provisions, exceed the recoverable amount, that portion of the increase to the provision is charged directly to the income statement.

Key estimates and assumptions – Rehabilitation provisions

The Group assesses its rehabilitation, restoration and dismantling (rehabilitation) provision at each reporting date. Significant estimates and assumptions are made in determining the provision as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent, timing and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs.

The carrying amount of the provision for dismantling and restoration as at 30 June 2022 was $19.855 million (2021: $23.556 million). The Group calculates the provision using the discounted cash flow method based on expected costs to be incurred to rehabilitate the disturbed area. These costs have been discounted at the Government bond rate for a comparable period which is 3.37% (2021: 1.58%). The rehabilitation costs are expected to be incurred up to FY2033.

Employee Benefits

(i) Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits and other short-term benefits expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

When applicable, the Company recognises a liability and an expense for bonuses based on a formula that takes into consideration the performance and service criteria, where relevant, and the likelihood that the criteria will be met. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Long-term benefit

The liability for long-term benefit is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to future expected wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Provision other

Includes an estimate of costs arising from a potential variation of the Mining Services Agreement totalling $0.60 million and a provision for FY2022 employee short-term incentive payments totalling $0.47 million. Both amounts are expected to be settled within 12 months of the reporting date.

Group structure and related party information

25. Information relating to Panoramic Resources Limited (the Parent)

The consolidated financial statements of the Group include:

	2022 $000	**2021 $000**
Current assets	3,449	23,114
Non-current assets	171,779	144,651
Total assets	**175,228**	**167,764**
Current liabilities	1,405	1,998
Non-current liabilities	463	4
Total liabilities	**1,868**	**2,002**
Contributed equity	353,550	353,550
Reserves	23,145	22,476
Accumulated losses	(203,335)	(210,264)
Capital and reserves attributable to owners of Panoramic Resources Limited	**173,360**	**165,763**
Profit or (loss) of the Parent entity	6,930	(1,508)
Total comprehensive income of the Parent entity	6,930	(1,508)

25. Information relating to Panoramic Resources Limited (the Parent) (continued)

Guarantees entered into by the parent entity

The parent entity has given financial guarantees in respect of:

- Subsidiary company leases amounting to $31.815 million (2021: $6.183 million)
- The Company has a US$45.0 million debt facility with Trafigura Pte Ltd comprising a US$30.0 million five-year Prepayment Loan Facility (PLF) and a eighteen-month US$15.0 million Revolving Credit Loan Facility (RCF). At 30 June 2022 the PLF was drawn to US$30.0 million (2021: nil). Security pledged to Trafigura for the two facility limits comprise a fixed and floating charge over all the assets and undertakings of Savannah Nickel Mines Pty Ltd (Savannah) and Pan Transport Pty Ltd together with a mining mortgage over six key project tenements. Panoramic Resources Ltd (Panoramic) has provided a security pledge over both the shares it holds in Savannah and the intercompany loan receivable due from Savannah. A corporate guarantee has also been provided by Panoramic to Trafigura. See Note 11 - Borrowings for further information.

No liability was recognised by the parent entity or the consolidated entity in relation to these guarantees, as the fair value of the guarantees was immaterial.

There are cross guarantees given by Panoramic Resources Limited and Savannah Nickel Mines Pty Ltd as described in Note 27. No deficiencies of assets exist in either of these companies.

No liability was recognised by the parent entity or the Group in relation to the cross guarantees.

Contingent liabilities of the parent entity

The parent entity and Group had contingent liabilities at 30 June 2022 in respect of bank guarantees put in place with a financial institution with a face value of $0.291 million (2021: $0.221 million).

26. Information relating to subsidiaries

The consolidated financial statements of the Group include:

		% equity interest	
Name	**Country of incorporation**	**2022**	**2021**
Savannah Nickel Mines Pty Ltd.	Australia	100	100
Pan Transport Pty Ltd	Australia	100	100
Pindan Exploration Company Pty Ltd	Australia	100	100
Mt Henry Gold Pty Ltd	Australia	100	100
Mt Henry Mine Pty Ltd	Australia	100	100
Magma Metals Pty Limited	Australia	100	100

27. Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 relief has been granted to the Savannah Nickel Mines Pty Ltd from the Corporations Act 2001 requirements for the preparation, audit and lodgement of their financial report.

As a condition of the ASIC Corporations (Wholly owned Companies) Instrument 2016/785, Panoramic Resources Limited and Savannah Nickel Mines Pty Ltd (the “Closed Group”), entered into a Deed of Cross Guarantee on 29 June 2005. The effect of the deed is that Panoramic Resources Limited has guaranteed to pay any deficiency in the event of winding up of its controlled entity or if it does not meet its obligation under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entity has also given a similar guarantee in the event that Panoramic Resources Limited is wound up or it does not meet its obligation under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

As at reporting date, the “Closed Group” comprised of Panoramic Resources Limited and Savannah Nickel Mines Pty Ltd.

The entities outside of the Closed Group are dormant. The consolidated results of the Closed Group are therefore reflective of the consolidated financial results for Panoramic Group.

28. Related party disclosures

As at, and throughout the financial year ended 30 June 2022, the ultimate parent entity of the Group was Panoramic Resources Limited.

Information in relation to interest in other entities is set out in Note 26 to the consolidated financial statements.

Compensation of Key Management Personnel of the Group

	2022 $	2021 $
Short-term employee benefits	1,577	1,681
Long-term employee benefits	64	67
Post-employment benefits	84	89
Share-based payments	595	263
Termination benefits	-	82
Total compensation	2,320	2,182

The amounts disclosed in the table represent the amount expensed during the reporting period related to KMP and Directors.

Other notes

29. Share-based payments

Recognition and measurement

Equity-settled transactions

The Group provides benefits to its employees (including executive directors and Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made. The fair value is determined using a Monte-Carlo simulation model or binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Panoramic Resources Limited if applicable.

The equity-settled transaction cost is recognised, together with a corresponding increase in reserve in equity, over the period in which the performance and / or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement expenses or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market condition.

If the terms of an equity-settled award are subsequently modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph,

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

29. Share-based payments (continued)

(i) Options over unissued shares

During the financial year no options over unissued shares were issued by the Company (2021: nil). The table below shows a reconciliation of the movement of options over unissued shares during the period including weighted average exercise price ("WAEP").

	2022 No.	2022 WAEP	2021 No.	WAEP
Options outstanding at the start of the year	28,520,525	$0.16	28,520,525	$0.00
Options issued during the year	-	$0.00	-	$0.16
Options exercised during the year	-	$0.00	-	$0.00
Options outstanding at the end of the year	28,520,525	$0.16	28,520,525	$0.16

The terms of the unissued ordinary shares at 30 June 2022 are as follows

Number of options	Exercise price	Expiry date
28,520,525	$0.16	30 June 2023

No options have been granted subsequent to the reporting date and to the date of signing this report.

On 29 June 2020, the Company's shareholders approved the issue of 28,520,525 options to Zeta Resources Limited. The issue formed part of the consideration to arrange a $8.0 million unsecured subordinated loan from Zeta Resources Limited in the prior financial year. The options have an expiry of 3 years from date of issue and a strike price of $0.16 per Panoramic share. An expense of $0.456 million was recorded in the 2020 financial year in relation to the options issued. The options have an expiry of 3 years from date of issue and a strike price of $0.16 per Panoramic share. The options were valued using the Black and Scholes options valuation methodology using an implied volatility of 66.6% and a risk free rate of 0.24%.

(ii) Employee Share Plan

The Company's shareholders approved the "Equity Incentive Plan" ("2021 Plan") at the 2021 Annual General Meeting on 20 October 2021. Plan was approved for a three-year period.

Under the 2021 Plan, eligible participants are eligible to be granted options and / or Performance Rights (collectively defined as "Awards"). Not with standing that the 2021 Plan includes the offer and granting of Options, in its discretion, the Remuneration Committee has determined that the grant of Performance Rights is the preferred LTI reward vehicle.

During the financial year 7,563,219 performance rights (30 June 2021: 14,670,146) were issued to KMP and employees (includes the rights issued to Mr Rajasooriar as noted in the section below), pursuant to the terms of the 2021 Plan. These Performance Rights (excluding Mr Rajasooriar's Performance Rights issue) vest on the measurement date and comprise tranches A and B in the table below. Included in the prior financial year issue is 1,164,033 Performance Rights that were forfeited and cancelled in July 2021 following the retirement of the Company's Geology Manager Mr John Hicks.

On 20 October 2021 upon approval by the shareholders, the company issued 3,992,813 Performance Rights to Mr Victor Rajasooriar (Managing Director & CEO) as per the terms of his Executive Services Agreement and pursuant to the terms of the 2021 Plan. These Performance Rights vest on the measurement date and comprise tranches C and D in the table below.

The performance conditions that the Board has determined will apply to the Performance Rights issued during the year as summarised below:

Tranche	Amount	Weighting	Performance Conditions
A	892,602	25% of the Performance Rights	ATSR performance. Performance Rights vest on a pro-rata scale from 25% to 100% for ATSR performance between 5% and 15% (measured over the 3 year period to 30 June 2024)
B	2,677,805	75% of the Performance Rights	RTSR performance relative to a defined peer group. Performance Rights vest on a stepwise basis from 25% to 100% for RTSR performance between 50th and 75th percentile (measured over the 3 year period to 30 June 2024)
C	998,203	25% of the Performance Rights	ATSR performance. Performance Rights vest on a pro-rata scale from 25% to 100% for ATSR performance between 5% and 15% (measured over the 3 year period to 30 June 2024)
D	2,994,610	75% of the Performance Rights	RTSR performance relative to a defined peer group. Performance Rights vest on a stepwise basis from 25% to 100% for RTSR performance between 50th and 75th percentile. (measured over the 3 year period to 30 June 2024)

29. Share-based payments (continued)

(ii) Employee Share Plan (continued)

The Performance Rights included in the above table do not include adjustments for the rights forfeited during the year. The table also excludes entitlements to Dividend Adjustment Performance Rights granted during the year as there are no performance conditions attached to these Performance Rights.

The fair value of the Performance Rights granted were determined using Monte Carlo simulation, a review of historical share price volatility and correlation of the share price of the Company to its Peer Group. The table below details the terms and conditions of the grant and the assumptions used in estimating fair value.

Item					
Grant date	20 October 2021	3 September 2021	17 November 2020	21 October 2020	11 September 2020
Number of ATSR rights	998,203	892,602	1,854,122	484,228	229,218
Number of RTSR rights	2,994,610	2,677,805	5,562,366	1,452,683	687,653
Value of underlying security at grant date	$0.235	$0.205	$0.095	$0.100	$0.081
Fair value per ATSR Right	$0.142	$0.143	$0.111	$0.070	$0.059
Total ATSR Expense for the period	$41,331	$40,817	$73,864	$12,384	$5,351
Fair value per RTSR Right	$0.152	$0.153	$0.107	$0.072	$0.057
Total RTSR Expense for the period	$133,156	$123,122	$213,607	$38,215	$16,295
Dividend yield	0%	0%	0%	0%	0%
Risk free rate	0.67%	0.67%	0.175%	0.30%	0.47%
Volatility	80%	80%	80%	80%	80%
Performance period (years)	3.0	3.0	3.0	3.0	3.0
Commencement of measurement period	1 July 2021	1 July 2021	1 July 2020	1 July 2020	1 July 2020
Test date	30 June 2024	30 June 2024	30 June 2023	30 June 2023	30 June 2023
Remaining performance period (years)	2.0	2.0	1.0	1.0	1.0
Maximum expense amount to be recognised in future period	$212,747	$191,525	$287,471	$50,599	$21,645

Movements in Employee Share Plan during the year

The movement in the weighted average fair value ("WAFV") is shown in the table below

	2022 No.	2022 WAFV	2021 No.	WAFV
Rights outstanding at the start of the year	11,434,302	$0.07	-	-
Rights issued during the year	7,563,219	$0.15	14,670,146	$0.07
Rights vested during the year	-	-	-	-
Rights lapsed during the year	-	-	-	0
Rights forfeited during the year	(1,164,033)	$0.07	(3,235,844)	$0.06
Rights outstanding at the end of the year	**17,833,488**	**$0.12**	**11,434,302**	**$0.07**

At 30 June 2022, there were no Performance Rights that had vested during the year and were unissued at the year end. At 30 June 2021 no Performance Rights on issue vested during the year.

(iii) Expenses arising from share-based payment transactions with employees

The cost of equity-settled transactions is recognised, together with the corresponding increase in reserve, over the period in which performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the performance right ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

i. the extent to which the vesting period has expired; and
ii. the number of Performance Rights that, in opinion of the Directors of the consolidated entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for Performance Rights that do not ultimately vest, except for Performance Rights where vesting is conditional upon a market condition.

The dilutive effect, if any, of outstanding Performance Rights is not reflected as additional share dilution in the computation of earnings per share.

Total expenses from share-based-payment transactions recognised during the period as part of employee benefit expense were $0.668 million (2021: $0.304 million).

30. Contributed equity

Share capital

	2022 Shares	2021 Shares	2022 $000	2021 $000
Ordinary shares				
Ordinary shares – fully paid	2,050,914,004	2,050,914,004	353,550	353,550
	2,050,914,004	**2,050,914,004**	**353,550**	**353,550**

Movements in ordinary share capital

30 June 2022	Number of Shares	Issue price	2022 $000
Ordinary shares			
Ordinary shares – fully paid	2,050,914,004	-	353,550
	2,050,914,004	-	**353,550**

30 June 2021	Number of Shares	Issue price	2021 $000
Ordinary shares			
Ordinary shares – fully paid	2,050,914,004	-	353,550
	2,050,914,004	-	**353,550**

Ordinary Shares

Ordinary shares entitles the holder to participate in dividends to ensure the entity continues as a going concern as well as to maintain optional returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or provide capital to pursue other investments The Group is not subject to any externally imposed capital requirements.

Recognition and measurement

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are deducted from equity and not expensed as an acquisition-related cost.

Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or provide capital to pursue other investments. The Group is not subject to any externally-imposed capital requirements**.**

31. Reserves

Share-based payments

	2022 $000	2021 $000
Share-based payments	23,145	22,476
	23,145	**22,476**

Nature and purpose of reserves

a) Share-based payments reserve

The share-based payments reserve is used to record the value of share-based payments provided to employees as part of their remuneration. The reserve is also used to record share-based payments provided to third parties as part of the consideration for services provided or for assets acquired.

32. Significant events after the reporting date

On the 24 August 2022 the Company announced to the ASX it had commenced a US$15.0 million drawdown from the Revolving Credit Facility (RCF) held with Trafigura Pte Ltd. Proceeds from the drawdown were received on the 30 August 2022. Following the drawdown the RCF will be fully drawn. Funding under this revolving facility is held for a period of three months where it is either repaid (fully or partially) or rolled over on a cashless basis for a further three month period. The Company continues to experience material changes in the timing of shipments and therefore concentrate revenue as a result of the ongoing tightness in shipping (sea freight) markets. The availability and arrival of ships when required continues to provide challenges in managing short-term working capital funding. The late arrival of the planned shipment in August 2022 has required the Company to draw on the RCF in order to manage changes in the short-term working capital funding position of the business.

33. Accounting standards and interpretations issued but not yet effective

The standards and interpretations that have been issued or amended but not yet effective and have not been early adopted by the Group (except for AASB 2020-3) for the annual reporting period ended 30 June 2022, have been assessed and are not expected to have an impact on its disclosures, financial position or performance of the Group when applied. The Group intends to adopt these standards when they become effective.

34. Auditor remuneration

The auditor of Panoramic Resources Limited is Ernst & Young (EY) Australia.

	2022 $	2021 $
Amounts received or due and receivable by EY (Australia) for:		
Fees for auditing the statutory financial report of the parent covering the group and auditing the financial reports of any controlled entities	268,976	122,000
Fees for other services		
Taxation services	-	49,638
Other advisory services	-	-
Total auditor's remuneration	**268,976**	**171,638**

Other services provided by the auditor during the current financial year were in relation to other minor advisory and consulting services.

The Audit and Governance Committee closely monitors non-audit services provided by the auditor or affiliate firms to ensure the selection of the service provider and the scope of the services provided are appropriate and do not have the potential to compromise auditor independence.

In accordance with a resolution of the Directors of Panoramic Resources Limited, I state that:

1. In the opinion of the Directors:

   a) the financial statements and notes of Panoramic Resources Limited for the financial year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and

   c) Subject to the achievement of the matters set out in note 2 (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   d) as at the date of this declaration, subject to the achievement of the matters set out in note 2 (a), there are reasonable grounds to believe that members of the Closed Group identified in Note 27 will be able to meet any liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2022.

On behalf of the Board

Nick Cernotta
Independent Non-Executive Chair

Victor Rajasooriar
Managing Director and Chief Executive Officer

Perth, 31 August 2022

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Independent auditor's report to the members of Panoramic Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Panoramic Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2022, the consolidated income statement, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) of the financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Accounting for the mine restart

Why significant	How our audit addressed the key audit matter
As disclosed in Note 19 to the financial statements, the date of commencement of commercial production at the Savannah Nickel Project ("Savannah Project") is a key judgment applied by the Group, as this is the date at which: ▶ Depreciation of property, plant and equipment and mine development assets commences ▶ Capitalisation of borrowing costs ceases ▶ All production costs are allocated to inventory and recognised as cost of goods sold upon the sale of inventory Further, prior to achieving commercial production, estimating the costs of sales applicable to pre commercial production revenue and the amounts to be capitalised to mine properties requires significant judgment. Australian Accounting Standard do not provide specific guidance as to when a mine has reached the commercial production stage – that is, when it is in a condition necessary to operate as intended. The determination of this date is subjective and given the accounting consequences, it is considered a key audit matter. As a result of factors disclosed in Note 19 to the financial statements, the Group determined that commercial production was achieved on 1 April 2022.	Our audit procedures include the following: ▶ We understood and assessed the reasonableness of the Group's process for allocating costs between capital and operating expenditure during the pre-commercial production period and once commercial production has been determined ▶ We tested that pre-commercial revenue and the associated costs applicable to pre commercial revenues were recognised and measured in accordance with applicable Australian Accounting Standards ▶ We tested the reasonableness of management's depreciation calculations for property, plant and equipment and mine property assets from 1 April 2022 ▶ We tested the appropriateness of borrowing costs capitalised during the pre-commercial production period in accordance with the requirements of Australian Accounting Standards ▶ We considered the reasonableness of the assumptions and evidence underpinning management's judgment and conclusion commercial production at the Savannah Project was achieved on 1 April 2022 ▶ We assessed the adequacy of the disclosures relating to the transition from pre to post commercial production in the financial statements, in accordance with applicable Australian Accounting Standards

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report but does not include the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Panoramic Resources Limited for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
31 August 2022

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Auditor's independence declaration to the directors of Panoramic Resources Limited

As lead auditor for the audit of the financial report of Panoramic Resources Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Panoramic Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
31 August 2022