

IN THE MATTER OF PANORAMIC RESOURCES LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED) (ACN 095 792 288)

EX PARTE

WOODHOUSE, WARWICK AND WHITE IN THEIR CAPACITIES AS
JOINT AND SEVERAL DEED ADMINISTRATORS OF PANORAMIC
RESOURCES LIMITED (SUBJECT TO DEED OF COMPANY
ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED)
(ACN 095 792 288)

First Plaintiffs

PANORAMIC RESOURCES LIMITED (SUBJECT TO DEED OF
COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS
APPOINTED) (ACN 095 792 288)

Second Plaintiff

AFFIDAVIT OF MARK RONALD GRIFFITHS AFFIRMED 17 DECEMBER 2024

Case Manager: The Honourable Justice Hill

Date of document: 17 December 2024

Filed on behalf of: The Plaintiffs

Date of filing: 17 December 2024

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FILED

17 DEC 2024

Via eLodgment
CENTRAL OFFICE
SUPREME COURT

I, Mark Ronald Griffiths, of Level 32, 152 St Georges Terrace, Perth, in the state of Western Australia, director, solemnly and sincerely declare and affirm:

A INTRODUCTION

- 1 I am employed by Gordon Brothers Pty Ltd (**Gordon Brothers**) and my job title is Director, Senior Project Manager and Valuer.
- 2 I am authorised to make this affidavit on behalf of Gordon Brothers.
- 3 Except where I state otherwise, I make this affidavit from facts within my own knowledge. Where I have relied on facts outside my personal knowledge, I am informed by the stated source of the facts and believe those facts to be true.

A1 Gordon Brothers' engagement

- 4 Gordon Brothers was engaged by Daniel Woodhouse, Kathryn Warwick and Hayden White (together, the **Deed Administrators**) in their capacities as deed administrators of:
 - (a) Panoramic Resources Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (ACN 095 792 288) (**Panoramic**);
 - (b) Savannah Nickel Mines Pty Ltd (Subject to Deed of Company Arrangement) (ACN 103 729 282) (**Savannah**);
 - (c) PAN Transport Pty Ltd (Subject to Deed of Company Arrangement) (ACN 627 691 598) (**PAN**); and
 - (d) Pindan Exploration Company Pty Ltd (Subject to Deed of Company Arrangement) (ACN 129 252 197) (**Pindan**),

(collectively, the **Panoramic Group** or the **Companies**) to provide an independent technical valuation in relation to the plant and equipment of the Panoramic Group (**P&E**).

- 5 Subsequently, Gordon Brothers was engaged by KordaMentha to provide an updated valuation of the Panoramic Group's P&E.

A2 My qualifications and experience

- 6 I am a Certified Practising Valuer.
- 7 I have completed several valuation courses, including ME201 (Introduction to Machinery and Equipment Valuation), ME202 (Machinery and Equipment Valuation Methodology), ME203 (Advanced Topics and Case Studies) and ME204 (Advanced Topics and Report Writing).



- 8 I am a Candidate Member of the American Society of Appraisers and a member of the Universal Standards of Professional Appraisal Practice (**USPAP**).
- 9 I have over 30 years' experience in the appraisal, valuation and auction industry, across a broad range of sectors, including mining.
- 10 I also have 30 years' experience as a valuation and asset sale adviser.
- 11 I am regularly engaged to provide independent valuations for mining assets.
- 12 Attached to this affidavit and marked **MRG-1** is a copy of my current curriculum vitae.

B VALUATION OF THE PANORAMIC GROUP'S P&E

B1 First Gordon Brothers' Report

- 13 On or about 15 December 2023, Gordon Brothers was engaged by the Deed Administrators to provide an independent valuation of the Panoramic Group's P&E (**First Gordon Brothers' Report**), including (among other things) the ore processing mill, workshops and laboratory, mobile equipment and mine camp at the Savannah Nickel Project.
- 14 For the purposes of undertaking this valuation, representatives of Gordon Brothers, including Steve Wall, Jeremy Dodds, Matthew Plunket and myself:
- (a) conducted a site visit at the Savannah Nickel Project between 18 - 22 December 2023 and 4 - 8 January 2024, where we inspected the Panoramic Group's P&E;
 - (b) undertook research, including searches of comparable sales databases, and contacted OEMs, manufacturers' representatives, used machinery and equipment dealers, and auctioneers and liquidators in respect of the value of certain P&E; and
 - (c) held discussions with key Panoramic Group personnel, including obtaining relevant information and data regarding the Companies' P&E.
- 15 Attached to this affidavit and marked **MRG-2** is a copy of the First Gordon Brothers' Report dated 2 February 2024, which I prepared, with the assistance of my colleagues, Mr Dodds (Senior Associate) and Mr Wall (Director) of Gordon Brothers.
- 16 The First Gordon Brothers' Report was prepared in accordance with the requirements of the USPAP.
- 17 I have also been provided with a copy of the Federal Court's Expert Evidence Practice Note, which includes as an attachment the Harmonised Expert Witness Code of Conduct (**Code**), which I have read and understood and to which I agree to be bound.



- 18 For the reasons set out in the First Gordon Brothers' Report, I determined that the value of the Panoramic Group's P&E, as at 8 January 2024, was as follows:

Valuation basis	Valuation (\$)
Fair market value in continued use (FMVICU)	64,997,798
Forced liquidation value (FLV)	11,242,505

- 19 The matters stated in the First Gordon Brothers' Report were true and correct to the best of my knowledge and belief, as at the valuation date.
- 20 The opinions expressed in the First Gordon Brothers' Report were opinions that I genuinely held as at the valuation date.

B2 Second Gordon Brothers' Report

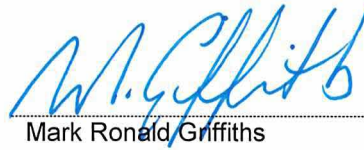
- 21 On or about 4 November 2024, Gordon Brothers was engaged by KordaMentha to provide an updated independent valuation of the Panoramic Group's P&E (**Second Gordon Brothers' Report**).
- 22 For the purposes of undertaking this valuation, I relied upon my previous site visits and P&E inspections.
- 23 Consideration was given to any additional usage and hours of the machines.
- 24 Historical sales data from Gordon Brothers' original valuation was also reviewed.
- 25 Attached to this affidavit and marked **MRG-3** is a copy of the Second Gordon Brothers' Report dated 7 November 2024, which I prepared, with the assistance of Mr Dodds and Mr Wall.
- 26 The Second Gordon Brothers' Report was prepared in accordance with the requirements of the USPAP.
- 27 For the reasons set out in the Second Gordon Brothers' Report, I determined that:
- (a) the value of the assets have depreciated approximately 10% - 20% (depending on the asset type) since the First Gordon Brothers' Report, having regard to usage, additional hours and the decline in demand for like assets since the original February 2024 valuation; and
 - (b) the updated value of the Panoramic Group's P&E was as follows:

Valuation basis	Valuation (\$)
FMVICU	54,680,120
FLV	9,330,480

- 28 The matters stated in the Second Gordon Brothers' Report are true and correct to the best of my knowledge and belief.
- 29 The opinions expressed in the Second Gordon Brothers' Report are opinions that I genuinely hold.

Affirmed by the deponent
at Perth
in Western Australia
on 17 December 2024
Before me:

)
)
)
)
)


Mark Ronald Griffiths


Signature of witness

EVAN LESLIE TAYLOR, a legal
practitioner who has held a practice certificate for at
least 2 years and who holds a current practice certificate

Mark Griffiths

Perth, WA 6000 | m: 0499 758 272 | e: mark.griffiths@pvas.com.au

SALES & BUSINESS DEVELOPMENT | B2B & B2C | NATIONAL, STATE, DIVISIONAL

Industry Sectors: Finance, Banking, Mining, Earthmoving, Manufacturing, Aviation, Marine, Motor Vehicle, Transport | Over 30+ Years Exposure

- Transformed a company's branch in one state (ACT) from an industry-acknowledged poor reputation and non-profit status to revenue-yielding and profits within 12 months. Focused on marketing extensively to existing and past clients and increased client base and market share via the acquisition of government contracts. Won the company's biggest contract (ICT rollout) that contributed to 25% of the revenue stream); ICT rollout across domestic channels in every state and territory, and overseas in the Middle East.
- Spearheaded the largest sale campaign (a first in the company's history) which exposed them to a broad scope of top-tier clients in a new market sector. Acquired multi-national clients/partnerships (Deloitte) in addition to underlying clients (10 banks and financial institutions). Secured the clients by capitalising on leveraging well-established networks. This led to \$18m in turnover and a 6.6% ROI in the QLD branch.

Professional Profile**DIRECTOR – SALES & BUSINESS DEVELOPMENT**

Gordon Brothers

2023 – Present

- **Market share expansion:** Leverage existing corporate relationships to boost new client uptake. Achieved bringing onboard two new clients increase in projects and revenue.
- **Revenue stream increase:** Boosted a key revenue stream year to date. This was achieved via empowering Perth staff, existing relationships, cross-marketing between clients and stakeholders.

SENIOR MANAGER – SALES & BUSINESS DEVELOPMENT*Grays eCommerce**2015 – 2023*

- **Restructure and revenue growth:** Restructured a key division in Perth and reversed zero profit to \$120k within 12 months.
- **Market share expansion:** Expanded the regional market share in Perth from 50% up to 90% by increasing the number of client appointments by 6% and acquisition of new multinational top-tier clients (KPMG, PwC) in the first 24 months. Captured the largest market share (90%) in Canberra and Brisbane via the acquisition of clients in the Federal Government sector.
- **Revenue stream increase:** Boosted a key revenue stream by over 100% in the first year, and 25% year-on-year to present. This was achieved via cross-marketing between clients and stakeholders, targeting and building relationships with decision-makers and senior personnel in banking institutions.
- **New business generation:** Acquired new clients (locally and nationally) and corresponding business with major corporations, accountants, lawyers, financiers and bankers, both locally and nationally. Provided methodical strategic advice to clients centred on tailored solutions to resolve operational and financial issues, sales and marketing processes (direct and indirect), maximising returns, connecting with relevant professional and industry bodies.

Mark Griffiths

Professional Profile

Continued

- **Sales and marketing programs:** Developed tailored marketing proposals and campaigns for a specific industry (industrial assets) that combined a blend of traditional and digital marketing. This included print media (newspapers, industry-specific magazines); online (industry body and third-party websites and publications); social media platforms (LinkedIn, Facebook). Significant engagement (0.27% CTR); 963k+ monthly total unique visitors to entire site; 100% clearance rate.

DIRECTOR – SALES, BUSINESS DEVELOPMENT & ACCOUNTS

Professional Valuation & Auction Services (PVAS)

2004 – 2014

- **Business and turnover growth:** Established and grew start-up business from one (1) to 10 staff with a turnover of over \$11m+ in 10 years.
- **Revenue increase:** Developed new business within the banking, insolvency and finance sectors that contributed up to 60% of the total revenue.
- **Client acquisition and retention:** Grew client base by acquiring new key clients: Big Four accounting firms (Deloitte, KPMG); banking institutions (CBA, NAB, BOQ, Suncorp); Qantas, Woolworths, Myer, Ferrier Hodgson, Cellnet, Sealy, Better Electrical, Australian Liquor Marketers.
- **Sales and marketing campaigns:** Devised and executed numerous campaigns via traditional mediums, social media platforms (LinkedIn, Facebook), website promotions, and electronic direct mail (EDM) marketing. For one campaign using EDM, emailed 500 hot leads over 14 days. Another campaign involved using pointed-focus marketing (first-time approach) that yielded 30% more than original target for a key client whose product/brand had a poor reputation in the Australian market – reversed this trend through the campaign launch.
- **Networking and relationship building:** Established and maintained productivity and revenue-generating relationships with new and potential clients via direct in-person contact. This included targeted presentations to clients at industry functions and events, lunches, and entertainment functions.
- **Team Leadership and management:** Led, drove, coached and mentored five (5) direct and 10 indirect reports.

PRIVATE AND CONFIDENTIAL

9

MRG-2



**Gordon
Brothers**

**Panoramic Resources Limited
(Administrators Appointed)**
Appraisal Report

INVESTMENTS | INVENTORY | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS |
BRANDS & INTELLECTUAL PROPERTY | REAL ESTATE

PREPARED FOR: FTI Consulting
PREPARED BY: Mark Griffiths
REPORT DATE: 2 February 2024

Summary of Report	
Asset Description	Mining Production & Mobile Plant
Located At:	Halls Creek, Western Australia
Effective Date of Valuation:	8 January 2024
Report Date	1 February 2024
Inspection Dates of Valuation	18 th -22 nd December 2023 & 5 th -8 th January 2024
Period of Currency:	3 Months
Definition of Value:	Fair Market Value in Continued Use (FMVICU) & Forced Liquidation Value (FLV)
Purpose of Report:	Administration
Client:	FTI Consulting
Intended User:	FTI Consulting

Gordon Brothers
Suite 3, Level 13
25 Bligh Street
Sydney, NSW, 2000

2 February 2024

Via Email: Daniel.Woodhouse@fticonsulting.com

Daniel Woodhouse
FTI Consulting
Level 47, 152-158 St Georges Tce
Perth
WA 6000

Re: Panoramic Resources Limited (Administrator Appointed).

Dear Daniel,

We refer to recent discussions in connection with the plant and equipment of Panoramic Resources Limited (Administrators Appointed), and thank you for your instructions to undertake a **valuation** of the same.

Subject to the matters set out below and at the request of Daniel Woodhouse of FTI Consulting, Gordon Brothers Pty. Ltd. ("Gordon Brothers") has assessed the value of the assets on the basis of FMVICU and FLV determined as follows:

The value of the assets on the basis of Fair Market Value In Continued Use (FMVICU) and Forced Liquidation Value (FLV) determined as follows:

Fair Market Value in Continued Use (FMVICU)	\$64,997,798
Forced Liquidation Value (FLV)	\$11,242,505

All values and amounts displayed throughout this report are in Australian Dollars and are exclusive of GST.

The values and comments contained within this letter should be read with the accompanying report.

Gordon Brothers **has not** previously undertaken a valuation assignment on behalf of Panoramic Resources Ltd and undertake this assignment as external advisors. Neither Gordon Brothers nor any of its personnel involved in the preparation of this report have any material present or contingent interest in either Panoramic Resources or in any of the Assets described herein; or any association with Panoramic Resources or related parties which may lead to bias.

Yours sincerely,

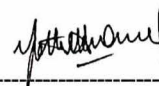
For and on behalf of Gordon Brothers Pty. Ltd.



Mark Griffiths
Director



Jeremy Dodds
Senior Associate



Matt Aubrey
Senior Managing Director

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I. EXECUTIVE SUMMARY



Company: Panoramic Resources Limited
(Administrators Appointed)
Address: Halls Creek, Northern Territory
Website: <https://panoramicresources.com/>
Key Contact:

As per your instructions received on 15 December 2023, a valuation of the Machinery & equipment as summarised herein was requested by Daniel Woodhouse of FTI Consulting. From our communication with the client and/or intended user we determined the most applicable definition of value for the purpose of the report, the required timeline for completion.

Background and company overview

Panoramic Resources Limited is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004.

Panoramic Resources initially operated its Savannah nickel-copper-cobalt project in WA between 2004 and 2016, when it was placed on care and maintenance due to low nickel prices. The mine was recommissioned in 2018 following the discovery of the Savannah North orebody, before operations were temporarily suspended in April 2020 due to COVID-related disruptions.

Panoramic Resources recommenced operations at Savannah in July 2021, producing first nickel-copper-cobalt concentrate in October 2021 and delivering its first shipment in December 2021. This saw a 10,865t, \$US14.8 million (\$21.7 million) shipment of nickel-copper-cobalt concentrate depart the Wyndham port for delivery to offtake partner Jinchuan in China. By June 2022, Panoramic had delivered its fourth shipment of nickel-copper-cobalt concentrate, with 10,489t attracting a \$US18.1 million (\$26.5 million) payment from Jinchuan. The plant has a nameplate capacity of 150 tonnes per hour and produces nickel concentrate. The plant was commissioned in 2004. The Savannah Mine operation was placed in care and maintenance on the 8th January 2024.

The client and intended users are advised to read the entire report in order to fully comprehend how the opinions of value were determined.

Gordon Brothers have appraised the assets on the basis they are free and clear of any liens or encumbrances unless otherwise stated.

Please see below table outlining the summary of our value findings:

Section	FMVICU	FLV
Processing	\$36,992,500	\$2,125,200
Maintenance Workshop & Stores	\$308,875	\$106,835
Fuel Farm & Core Yard	\$476,300	\$90,175
Emergency Response & First Aid	\$256,425	\$96,675
LV Workshop & General Plant	\$1,882,200	\$320,775
Camp, Admin & Support	\$5,571,900	\$1,804,200
Underground & Survey Equip	\$1,113,050	\$292,500
Mobile Equipment	\$2,740,000	\$2,150,700
Wyndham	\$4,111,000	\$24,500
Stock	\$6,037,808	\$500,000
Head Office	\$144,240	\$20,845
Encumbered	\$1,772,500	\$1,388,100
Third Party	\$3,591,000	\$2,322,000
Grand Total:	\$64,997,798	\$11,242,505

II. ENGAGEMENT OVERVIEW

PURPOSE OF VALUATION

The purpose of the report is for the Administrator to obtain a fair market in continued use value and forced liquidation value of the assets to which they are appointed over. The definitions of value adopted are considered appropriate for the intended use as discussed with the client and/or intended user.

This report has been compiled in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP holds several fundamental tenets of practice for the professional valuer to follow. These include ethics of conduct, management, confidentiality and record keeping. USPAP additionally sets standards of competency, methodology and continued professional training.

USPAP is designed to promote and maintain a high level of public trust in valuation practice by establishing minimum requirements for appraisers. Valuers must develop and communicate their analysis, opinions and conclusions to clients and intended users of their services in a manner that is both meaningful and not misleading.

The report should not be used for any other purpose. If it is considered for any other use, then we will need to be contacted in the first instance to advise whether the values and commentary contained therein remain relevant for any other purpose than that stated above.

IDENTIFICATION & DESCRIPTION OF THE APPRAISED

As per the scope, Gordon Brothers representatives have conducted this valuation report through a site visit and inspection of the subject assets, research and discussions with key Panoramic Resources Limited (Administrators Appointed) personnel.

We have assumed all information provided by Panoramic Resources Limited (Administrators Appointed) to be correct and accurate.

Assets consist of mining processing equipment including, crushers, conveyors, ball mill, regrind mill, floating cells, dewatering and tailings thickeners, reagents hoppers, pumps, forklifts, motor vehicle, workshop and office equipment.

To assist Gordon Brothers representatives, we have been provided with the following:

- Panoramic Resources Ltd (Administrators Appointed) fixed asset register (FAR) dated Nov 2023.
- Asset inspection and photos taken by the Gordon Brothers representative of assets located onsite
- Plant & Equipment Detailed Listing of Assets

DEFINITIONS OF VALUE

As requested, the assets have been valued on the basis of Fair Market Value in Continued Use (FMVICU) and Forced Liquidation Value (FLV) This is defined as:

Fair Market Value in Continued Use (FMVICU)

"An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification."

***The above Valuation definitions is not a standard definition but created as requested for the purposes of this valuation.*

Forced Liquidation Value (FLV)

"An opinion of the gross amount, expressed in terms of money, that typically could be realised from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date."

**Valuation definition have been sourced from The American Society of Appraisers "Valuing Machinery & Equipment: The Fundamentals of Appraising Machinery & Technical Assets", Third Edition.*

III. SCOPE OF WORK

Per our instruction letter, in forming an opinion of value for the assets described in this report various investigations and background research was undertaken including the following:

1. Identification of the problem to be solved:

As determined from communications with the client. In this case the value required is Fair Market Value in continued Use (FMVICU) and Forced Liquidation Value (FLV)

2. Site visit and data collection.

On Monday 18th to Friday 22nd December 2023 and Monday the 4th to Monday 8th January 2024, Gordon Brothers valuers inspected the machinery and equipment that is the subject of the appraisal. Situated at Panoramic Resources Limited (Administrators Appointed)(the Company)' facility at Savannah Mine, Halls Creek, WA. Panoramic Resources Limited (Administrators Appointed) (the Company) personnel assisted in the inspection and information-gathering process. During the inspection, detailed descriptive information about the assets was identified and compiled. Whenever possible, this included manufacturer, model, serial number, year of manufacture, and capacities and specifications. A variety of other data relating to the assets was discussed, requested, and gathered during the inspection. In some cases, additional information was subsequently requested.

3. Application of approaches to value:

The valuation analysis included consideration of transactions involving sales of similar assets. It also considered the availability of competitive equipment on the open market and the overall condition and quality of the subject assets compared with the assets sold or available.

Research included searches of comparable sales databases including platforms such as AsseTeX and Gordon Brothers' own data base which includes sales from Australia and globally; Currently advertised

for sale prices from websites such as Machinery Trader, Construction Sales; discussions with internal Gordon Brothers asset specialists.

Gordon Brothers also contacted OEMs, manufacturers' representatives, used machinery and equipment dealers, and auctioneers and liquidators for certain key assets. When relevant, discussions included supply and demand factors, the overall condition of the market, and the number of potential purchasers in the market for similar assets. In some instances, Gordon Brothers obtained additional information from other knowledgeable industry sources to assist in the analysis.

Gordon Brothers assembled and analysed all the information gathered for the subject assets, and during the market research process the approaches to value most appropriate to the purpose and intended use of the appraisal were then developed. These approaches to value are outlined in section 4 of this report. The value indications were reconciled, and the most meaningful data was considered in the final value estimates.

IV. VALUATION PROCESS

VALUATION METHODOLOGY

There are three generally accepted valuation approaches that are used to derive an indication of the value of plant and machinery. These approaches are; Cost Approach, Sales Comparison Approach, and Income Approach to value. These approaches are defined as follows:

Cost Approach	<i>"a set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external/economic obsolescence."</i>
Sales Comparison Approach	<i>"a set of procedures in which an appraiser derives a value indication by comparing the inventory being appraised to similar assets that have been recently sold or are currently available for sale, applying appropriate units of comparison, and adjusting based on the elements of comparison to the sale prices of the comparable."</i>
Income Approach	<i>"a set of procedures in which an appraiser derives a value indication for income-producing assets by converting anticipated benefits into value. This conversion is accomplished either by (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate."</i>

In this engagement although all methods of valuation were considered it became clear at an early stage that the best approach for FLV was to utilise a combination of the Cost Approach and Sales Comparison Approach. The Cost Approach was used to give weight in final analysis in particularly for assets where like market was unavailable. Marketability of each item was also a determinant of value. Marketability, as a measure of demand, is approximated through recent sales under similar sale conditions. Where actual sales are not available, relationships are often established based upon asking prices for comparable items, with subsequent adjustments for similar sale conditions.

In determining the FMVICU a Cost Approach was used on a consolidated single line basis allowing adjustment for estimated replacement cost, residual values, useful life, and current condition. Discounts were

applied for an orderly sale and estimated expenditure to resume operation. Gordon Brothers spoke with representatives of several OEM's including, GE Engineering, Thermo Scientific, FLSmidth, Joest, and Volvo Machinery. Gordon Brothers also contacted major mining equipment suppliers in the Domestic market.

Depreciation includes loss in value due to physical deterioration as well as functional and economic obsolescence. Functional obsolescence is the decreased capacity of the item to perform the function for which it is intended in terms of current standards and specifications. Functional obsolescence may stem either from a deficiency within the items such as poor design or outmoded style or may result from super-adequacy or over-design. Economic obsolescence represents a loss in value from factors outside the item appraised, such as a depressed market for the product. These factors generally are characterised as "negative external forces," which have an impact upon the item appraised. Comparisons are sometimes made to recent cost data when comparable sales are not found under the appraisal concept.

The Income Approach was considered but not used in this report. This is due to the difficulty in determining what portion of the total income and expense stream of a given plant would be attributable to a specific piece of equipment. This type of analysis is not appropriate to the scope of this appraisal.

V. ASSET & INDUSTRY ANALYSIS

COMPANY INFORMATION

Savannah Mine or Savannah Nickel-Copper-Cobalt Mine (formerly the Sally Malay Mine) is an open cut and underground Nickel, Copper, and Cobalt mine 104kms north-northeast of Halls Creek in the Kimberley region of Western Australia. The mine was first commissioned in late 2004 and produced 1.22Mt of concentrate containing 94,600t of nickel, 53,000t of copper and 5,000t of cobalt over a 12-year period, before being kept on care and maintenance in May 2016 due to low Nickel prices.

By 2017–18, with nickel prices recovering, the company started planning for the reopening of the Savannah mine, signing new delivery contracts. The cost of restarting production at the mine was estimated to be A\$36 million. The mine briefly reopened in 2019, but was closed once more in April 2020 because of travel restrictions in the Kimberley region in place because of the COVID-19 pandemic and associated cost and supply issues. The mine was restarted once more in late 2021, now with an estimated mine life of twelve years.

In March 2023, the company extended the prospective mine life of Savannah to 2035, with an estimated annual production of 9,400 tonnes of nickel, 5,000 tonnes of copper and 700 tonnes of cobalt during this period.

The Savannah Mine was placed into care and maintenance in January 2024 due to declining Nickel prices. Since mining operations began, more than \$150 million has been invested in mining, processing and site infrastructure including the underground mine, processing plant, a paste fill plant, a 180-room accommodation village, workshops, office buildings, tailings, water storage facilities, concentrate storage facilities and other associated infrastructure.

ASSET OBSERVATIONS & MARKETABILITY

Ore Processing Mill

The processing mill at the Savannah Mine was commissioned in August 2004 consists of a single stage crusher, a SAG mill and a flotation plant along with thickening and filtering facilities and a Lime Slaking Plant. This process produces bulk nickel, cobalt and copper concentrate. From a metallurgical point of view, it is a plant that performs extremely well. The plant was originally designed for a throughput of 750,000 tonnes per annum, but consistently outperforms the design specifications with rates exceeding 950,000 tonnes on an annualised

basis. The Process Mill has been refurbished and upgraded during its life at a cost of approximately AUD\$11,000,000.

Underground ore is stockpiled on the ROM pad before being fed into the ROM dump hopper for processing in the crushing circuit. A vibrating grizzly feeder reclaims ore from the ROM dump hopper and controls feed to the primary jaw crusher. Undersized ore is fed to the ROM conveyor along with the crushed ore from the primary crusher. Crushed product then goes onto the first series of conveyors, transfers primary crushed ore from the ROM station to transfer station. The transfer station is used to transfer crushed ore from the ROM conveyor, secondary cone crusher and tertiary cone crusher conveyor to the screen feed conveyor.



Once the ore is at a size product, it passes through the screen into the fine ore bin, then passes to the ore bin discharge conveyors or emergency feed conveyor located underneath the ore bin. The mill transfer conveyor is to reclaim fine ore from the fine ore bin and convey it to the ball mill feed conveyor. The crushers are made by Jaques, under the Terex brand and recognized as an industry leader in this field.

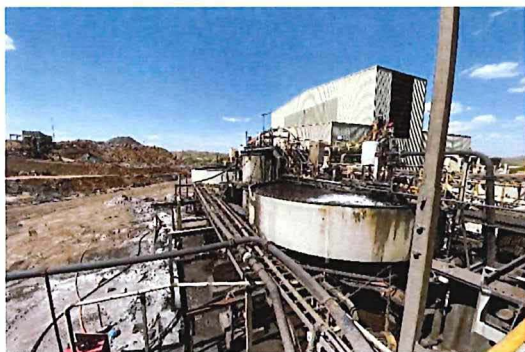
The ball mill is one of the most common methods of grinding or size reduction in the mining industry. An electric motor is used to rotate the drum which in turn causes the balls to move within the inside of the drum causing impact on the product and the ore rubbing against itself. This then reduces the size of the product breaking it down into a pulp.



Once the product leaves the ball mill the pulp is moved to a discharge hopper and water added to the mix before being pumped through to a cyclone cluster. The cyclone separates the product and is dispersed back into a splitter box where additives are added and moved either back into the ball mill or into a flash flotation cell. The concentrate from the flash flotation passes through a trash screen and onto the concentrate hopper.

The concentrate is pumped into the flotation conditioning tank agitator before moving through the rougher stage. The rougher stage consists of 5 floating cells in series. Concentrates produced are pumped through the cleaning stage cells. Tailings from the rougher stage are fed further through the cells for refinements. Once the concentrate passes through the cleaning stage it passes through recleaning cells. The floatation cells are manufactured by Outokumpu and have been designed to maximise fine partial recovery. The pumps that are used to transfer are built by Warman which is well regarded brand.

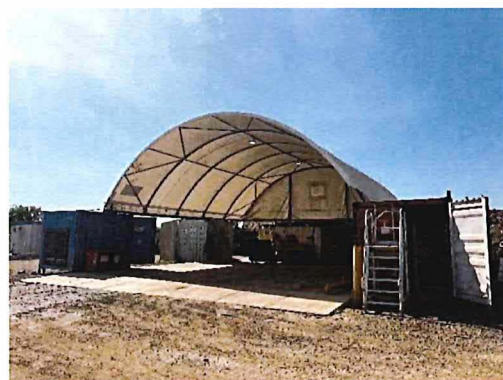
When flotation is finished with the ore, and a final concentrate has been produced it is transferred to the concentrate thickener before it is dried for shipping. Within the scope of a de watering circuit are three categories of equipment, thickening, filters, and the dryers. Each one is a stage in producing a dry final product. At this stage the bulk of the water is removed in the thickener with the solids settling on the bottom of the thickener tank before being filtered out for transportation.



Workshop & Laboratory

The mine contains two of its own workshops, light vehicle and heavy machinery workshop and an electrical/general goods workshop. Housed in sheds with transportable office buildings attached. The workshops contain host of generic engineering and workshop equipment such as vehicle hoists, air compressors, drill press, welders, tyre changers & balancers, as well as host of power tools, workbenches and storage units such as 20-foot containers. Given the remoteness of the site, and the condition of the equipment, this has been factored into our FLV estimates.

The laboratory is located near the processing facility and contains furnaces, grinding mills, fume extraction cabinets, flammable liquid cabinets and analysing equipment. the laboratory is housed by sheds which also includes two offices built into the complex.



Mobile Equipment

The company's fleet of mobile equipment consists of well regarded manufacturers Volvo, Caterpillar, Toyota, Franna amongst others. The most notable units in the earthmoving fleet are the 2x Volvo L180H, Volvo L120H & Volvo L260H Wheel Loaders. The company owns a AT20 Franna crane built in 2005. Other ancillary mobile equipment includes a Caterpillar 725 articulated water cart, forklifts and trailers. Panoramic maintain a fleet of light vehicles which consist of predominately Toyota Hilux & Landcruiser models. Overall, the fleet presents on good condition, but it is to note that most units are showing signs of surface rust which is not uncommon given they are servicing underground mines which have a heavy salt content.



Mine Camp

The Savannah mine camp can accommodate up to 300 people made up of 4- & 6-bedroom relocatable buildings built by leading OEM Ausco. The camp is equipped with administration offices, gym, dry mess, wet mess, laundry buildings, ablution blocks, water treatment facility, and ancillary assets such as generators and pumps. Values attributing to the camp were arrived at through speaking with industry sources, dealers & OEM's. Gordon Brothers took into consideration the remoteness of the mine site and considerable transport and decommissioning costs associated with the sale of a camp of this stature. This is particularly evident in an enforcement scenario if sold on a piecemeal basis. Individual buyers will factor in labor costs, crane hire, and transport, this ultimately will be reflected in the realisation. Also, to note is the WHS risks associated in the removal process and as such a sole contractor would need to be engaged to manage the decommissioning of buildings, packing for transport and crane onto customer transport.



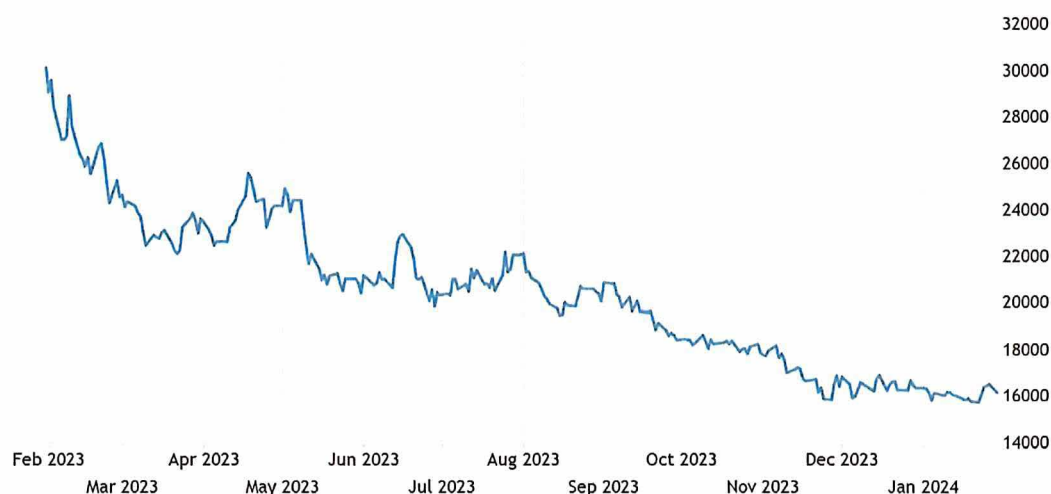
INDUSTRY & MARKET OBSERVATIONS

Nickel ore miners faced generally positive operating conditions over the past five years, with strong pricing growth and demand being partly offset by output declines. Most nickel ore mined in Australia is processed locally into nickel concentrate by downstream smelting and refining firms, or by nickel ore mining companies that also operate their own smelters and refineries. All nickel ore mined by the industry is from Western Australia. Infrastructure projects and the production of nickel-based stainless steel goods in China drove global demand for nickel over the past five years. These factors positively affected Australian nickel exports, with domestic demand also rising strongly.

Nickel ore production is expected to total 186.6 thousand tonnes in 2023-24, with strong growth anticipated as existing mines ramp up production. Production has fallen over the past decade due to period of low prices, Panoramic Resources and Mincor Resources placed three nickel ore mines on care and maintenance in 2015-16, and FQM Australia placed its Ravensthorpe nickel mine on care and maintenance in 2017-18. These actions contributed to volume falls in most years over the five-year period. Some of these mines recommenced operations over the three years through 2021-22, with others expected to recommence over subsequent years. Nickel ore mining revenue is anticipated to increase at an annualised 10.6% over the five years through 2023-24, to \$4.1 billion. This trend includes a 6.7% fall in the current year, due to weakening prices.

Industry revenue is projected to rise at an annualised 1.3% over the five years through 2028-29, to \$4.3 billion. Output is forecast to increase as new mines start production, some existing mines recommence production, and other mines expand output. Miners are set to benefit from accelerating electric vehicle adoption. However, nickel prices are forecast to decline from the highs of 2022-23 due to global nickel output growth. Industry profit margins are also projected to increase over the next five years.

Source: Ibis World



Key Statistics

**\$2.8bn**
Revenue

Annual Growth	Annual Growth
2016–2021	2021–2026
1.7%	4.8%

Annual Growth
2016–2026**\$244.8m**
Profit

Annual Growth
2016–2021
16.3%

Annual Growth
2016–2021**8.8%**
Profit Margin

Annual Growth
2016–2021
4.3pp

Annual Growth
2016–2021**19**
Businesses

Annual Growth	Annual Growth
2016–2021	2021–2026
3.5%	4.8%

Annual Growth
2016–2026**2,408**
Employment

Annual Growth	Annual Growth
2016–2021	2021–2026
-0.3%	3.1%

Annual Growth
2016–2026**\$402.5m**
Wages

Annual Growth	Annual Growth
2016–2021	2021–2026
-1.6%	4.2%

Annual Growth
2016–2026

Key External Drivers

% = 2016–21 Annual Growth

8.7%
World price of nickel

5.3%
Demand from gold and other non-ferrous metal processing

12.6%
World price of steel

N/A
US dollars per Australian dollar

Industry Structure



POSITIVE IMPACT

Life Cycle
GrowthBarriers to Entry
High / Steady

MIXED IMPACT

Revenue Volatility
Medium
Competition
Medium / SteadyTechnology Change
Medium

NEGATIVE IMPACT

Capital Intensity
High
Concentration
High
Industry Globalization
High / SteadyIndustry Assistance
Low / Steady
Regulation & Policy
Heavy / Steady

Key Trends

- Stronger downstream demand and supply shortages have led to stronger nickel prices
- Industry profit margins have risen from a low base over the past five years
- Nickel ore mining companies have reduced staff numbers over the past five years
- Industry revenue and volumes are projected to increase strongly over the next five years
- China is anticipated to increase its processed nickel output over the next five years
- Industry profit is anticipated to increase due to higher prices and cost-cutting programs
- Most nickel ore mined in Australia is processed locally into nickel concentrate

VI. SALE CONSIDERATIONS

Gordon Brothers would assume that the administrators would run two-step process to best maximise the recovery values.

- 1) Expressions of Interest (EOI): The main processing facility would be of interest to specific operators within the mining sector, accordingly an expression of interest sale campaign would be the most effective sale methodology. This campaign should ideally run over a period of six months. Once buyers are identified, direct negotiation should take place to maximise offers without disclosing to them what other offers have been received. The best offers are then presented to the secured creditor for consideration.
- 2) Online auction (In-situ). Mobile assets, workshop equipment, laboratory equipment, underground assets and ancillary items of broad appeal are suited to an online auction. Should any parts of the processing plant remain unsold after the six-month EOI campaign we suggest putting it an online auction and running it concurrent with the mobile assets. The online auction will run over a five-day period with a three-week lead time for marketing. It should be noted that buyers will factor in decommissioning and transport costs into their final bid prices.
- 3) Salvage Assets-The salvage assets should be offered on a tender basis during the EOI process. Gordon Brothers recommend that a single contractor be awarded the salvage asset removal based on their offer pricing, capability to safely remove the assets without environmental disruption nor damage to other assets sold as part of the EOI/Auction campaigns. Multiple contractors can lead to disputes and OHS issues. A major OH&S focus would be required with procedures in place to ensure that a safe workplace remains particularly in relation to demobilisation of the fixed plant assets.

VII. OTHER CONSIDERATIONS

EXCLUDED ITEMS

The following have been excluded from our report as being outside our scope of works:

- Any asset located on any premise other than those we attended and which we were not made aware of;
- All forms of intellectual property such as goodwill, software etc.;
- All assets considered land, buildings or fixtures or building and/or structural improvements;
- All assets which are said to be provided under operating or rental/hire agreements.

GOODS AND SERVICES TAX ("GST")

The values provided in this report are **exclusive of GST**.

CURRENCY EXCHANGE RATES

It may be the case that some of the market data used in this analysis originated from international manufacturers and suppliers. Accordingly, we have used exchange rates prevailing at the date of valuation to enable us to make meaningful comparisons with Australian sourced data.

LEASED AND THIRD-PARTY PROPERTY

Ownership categorization and any comment as to outstanding amounts provided in this report is reliant on information provided to us and as such is accurate solely to the extent the information relied upon was accurate. We have not sought to verify title via the PPSR register. Neither have we procured loan pay-outs direct from the relevant loan provider(s).

VALIDITY PERIOD OF VALUATION

The values contained herein are current as at the stated date of valuation only. In the normal course of events assuming market factors which underpin the basis of our values remain stable, the values in this report can be considered valid for a period of up to three months.

In the event external and/or market factors shift suddenly and/or unexpectedly (within three months) causing those underlying value assumptions to change then the validity period would be void and a review of values required. No liability in respect to any loss or damage claimed from any such change(s) is accepted. Similarly, no liability or responsibility is accepted for any party's reliance on this report after the three-month validity period.

EFFECTIVE DATE OF VALUATION

The effective date for the valuation is 8 January 2024 . This is the only date at which the valuation opinion applies and only for the stated purpose. Only known or knowable information available as of the effective date of the valuation is to be considered in the development of an opinion of value. It is important to understand that the effective date may be quite different to the date the report was produced. This is true for valuations that are retrospectively or prospectively based. The reporting date for this valuation is the 2 February 2024.

VIII. ASSET PHOTOGRAPHS



PROCESS MILL



PROCESS MILL



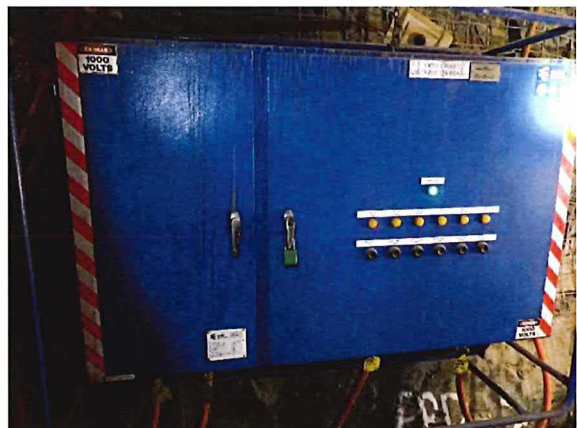
PASTE PLANT



ACCOMMODATION CAMP



UNDERGROUND SUBSTATION



UNDERGROUND DISTRIBUTION BOARD



LIGHT VEHICLE 302



BUS 002



TL01



ADMINISTRATION AREA



FUEL FARM



WYNDHAM

IX. LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

This plant, machinery and equipment valuation is made subject to the following:

GENERAL LIMITING CONDITIONS

- 1) The determined values are exclusive of Goods and Services Tax. Our Forced Liquidation Value does not consider any costs associated with realising the value of the assets.
- 2) The valuation is made solely for the use of Panoramic and FTI and intended users to whom it is addressed. No responsibility to any third party is, or will be, accepted for any part of the valuation.
- 3) Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another valuer or anyone else without the written consent of Gordon Brothers.
- 4) Physical condition in most instances has been determined by assumption. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, nor for any expertise required to disclose such conditions.
- 5) No investigation of legal title to the property, unless explicitly stated otherwise, has been made and the claim to the property has been assumed to be valid.
- 6) No additional values have been made in regard to such intangibles as patents, trademarks or goodwill.
- 7) Information, estimates and opinions furnished by the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party.
- 8) Matters of a legal nature or with tax consequences have not necessarily been considered in this report. The reader should consult a competent legal advisor and/or a qualified tax accountant for information and opinions in those areas.
- 9) Machinery and equipment appraisers are called on for valuation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavoured to use basic sound, accepted methodologies in any assignment. When applicable conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Conclusion is arrived at from many years of experience in the sale and appraisal of machinery and equipment. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report. Due to the complexities and variables on the many items of fixed assets, itemised values become the guideline for justification rather than individual summaries for each conclusion.
- 10) The valuer has endeavoured to use due diligence in all market comparisons. If possible, multiple comparisons of similar items sold within a reasonable and applicable time period usually provide substance for a credible value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the appraiser has relied heavily on comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesalers for example) in arriving at the final value estimate.

- 11) Each item in the valuation has been individually assessed with regard to a total package at an orderly liquidation sale. The values shown are not intended for the piecemeal selling of separate items. In the event that any item included in this valuation is separately sold or is withdrawn from sale or is to be sold either at a time different to the other items or from a different location then a re-valuation of the remaining items will be necessary.
- 12) It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machinery might include: guards, electrical starters, switch-gear, safety equipment, wiring, conduit/piping and electrical, pneumatic or hydraulic controls systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the investigation.
- 13) Description of items made as part of this report is believed correct to the best ability of the appraiser. Any errors or omissions were unintentional and should not affect the value assignment.
- 14) The subject equipment may or may not conform to local OHS standards. The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
- 15) The valuation has been prepared in good faith on the basis that full disclosure of all information and salient points which may affect the valuation. The compliers of this report and signatories of the certification, expressly disclaim all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the valuation notwithstanding any act or omission, representation, negligence, default or lack of care by any person.
- 16) The valuation is valid only as of the effective date of the report and for the purposes outlined in the section "Purpose of Valuation".
- 17) The valuation concept used in this report is one accepted by the client.
- 18) Nothing in this report constitutes as financial advice prepared for FTI Consulting.
- 19) All assets valued on a sight unseen basis should be considered indicative only. Gordon Brothers accepts no liability for reliance placed on assets valued on a sight unseen basis. Gordon Brothers can not verify the condition, nor the existence of any assets valued on a sight unseen basis and have relied solely on the information provided to arrive at the ascribed values.

Extraordinary Assumptions specific to this assignment

No extraordinary assumptions were made.

Hypothetical Assumptions specific to this assignment

No hypothetical assumptions were made.

X. CERTIFICATION OF VALUE

It is hereby certified that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are personal, unbiased, professional analyses, opinions, and conclusions.
- Gordon Brothers has no current or contemplated future interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- Any statement(s) of condition are the result of visual inspection only and should not be construed as an opinion of operability or utility.
- The engagement of Gordon Brothers in this assignment was not contingent upon developing or reporting predetermined results.
- Neither the valuation nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favours the cause of the client, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is the compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- No person or persons other than those acknowledged below prepared the analysis, conclusions, and opinions, or provided significant professional assistance
- In preparation of this report, analysis, opinions, and conclusions have been developed and Gordon Brothers have conformed with procedures and definitions contained within the Uniform Standards of Professional Appraisal Practice ("USPAP") as defined by the Appraisal Standards Board of The Appraisal Foundation.
- The undersigned, unless denoted by an (*), has made an inspection of the personal property that is the subject of this report.
- Mark Griffiths and Jeremy Dodds have performed no services as an appraiser or in other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

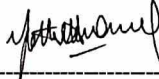
For and on behalf of Gordon Brothers Pty. Ltd.



Mark Griffiths
 Director



Jeremy Dodds
 Senior Associate



Matt Aubrey
 Senior Managing Director



Appendices

- I: Definitions
- II: Appraiser Qualifications
- III: Valuation Schedule

APPENDIX I. DEFINITIONS

Source - "Valuing Machinery and Equipment: "The Fundamentals of Appraising Machinery and Technical Assets", The American Society of Appraisers, Third Edition,

Excellent (E) This term describes those items that are in near-new condition and have had very little use.

Extraordinary Assumption is an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions (USPAP page U-3)

Fair (F) This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilisation because of the effect of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilised to or near their original specifications. Pg. 58

Fair Market Value is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

Fair Market Value in Continued Use with Assumed Earnings is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

Fair Market Value in Continued Use with an Earnings Analysis is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and supported by the earnings of the business.

Fair Market Value – Installed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

Fair Market Value - Removed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date.

Forced Liquidation Value is an opinion of the gross amount, expressed in terms of money, that typically could be realised from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is where-is basis, as of a specific date

Good (G) This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilisation.

Hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis (USPAP page U-3)

Insurable Value Depreciated The insurance replacement or reproduction cost less accrued depreciation considered for insurance purposes, and as defined in the insurance policy or other agreement, as of a specific date.

Liquidation Value in place is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised transaction, with the seller being compelled to sell, as of a specific date, for a failed, non-operating facility, assuming that the entire facility is sold intact.

New (N) This term describes new items that have not been used before.

Orderly Liquidation Value An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date

Poor (P) This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realise full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

Replacement cost new Is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date.

Reproduction cost new The cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials, as of a specific date.

Salvage Value (S) is an opinion of the amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for possible use elsewhere, as of a specific date.

Scrap Value (X) An opinion of the amount, expressed in terms of money that could be realised for the property if it were sold for its material content, not for productive use, as of a specific date.

Very Good (VG) This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

APPENDIX II. VALUER CREDENTIALS & MEMBERSHIPS

Mark Griffiths

Mark has held numerous senior management roles and has over 29 years' experience in the Appraisal, Valuation and Auction industry. Mark has been appointed across a broad range of industry sectors, in particular the Mining, Earthmoving, Construction, Manufacturing, Aviation, Marine, and Transport sectors and is well respected as an adviser on valuation and asset sale issues.

Widely recognized for his skills in formal and informal valuations, marketing and project managing asset sales. Mark has been appointed to manage and conduct some of the major auction and valuation projects in Australia.

Core Competencies

Mark has experience in the following industries:

- Mining
- Earthmoving and Civil & Civil Construction
- Trucks, Trailers and Transport
- Agricultural Equipment
- Hospitality and Catering
- Motor Vehicles
- Manufacturing
- Forestry

Education

- ME201 – Introduction to Machinery and Equipment Valuation
- ME202 - Machinery and Equipment Valuation Methodology
- ME203 - Advanced Topics and Case Studies
- ME204 – Advanced Topics and Report Writing

Qualifications Memberships

- American Society of Appraisers – Candidate Member
- Universal Standards of Professional Appraisal Practice (USPAP)

Jeremy Dodds

Jeremy Dodds is an Associate for Gordon Brothers' Perth office with over 5 years' experience in the valuation of plant and equipment of asset disposition projects. Prior to joining Gordon Brothers, Jeremy served for as a Valuer at Graysonline, Australia's largest e-commerce group, where he completed complex projects for numerous banking, insolvency and private clients across WA and Australia.

Core Competencies

Jeremy has experience in the following industries

- Transport
- Mining & Construction
- Earthmoving and Civil
- Trucks, Trailers, and Transport
- Motor Vehicles
- Manufacturing

Appraisal Education

- US015-000 – 15 Hour national Uniform Standards of Professional Practice (USPAP) Course
- ME201 – Introduction to Machinery and Equipment Valuation
- ME202 - Machinery and Equipment Valuation Methodology
- ME203 - Advanced Topics and Case Studies
- ME204 – Advanced Topics and Report Writing

Steve Wall – Director, Valuations

Steve's professional's background is a unique combination of Financial Services and Appraisal expertise in formal appraisals, residual value advice, industry analysis, equipment & valuation advice, pricing and remarketing of assets through the Asia Pacific region.

Steve has over 30 years' experience as a senior appraiser and is globally recognised in valuing and appraising a wide variety of business assets covering many diverse industries but with strong expertise in Mining.

Steve has been full member of the Auctioneers & Valuers Association for over 25 years and holds the title of Certified Practising Valuer (Plant & Machinery), number 267 and Steve is previous past President of the Australian Chapter of the American Society of Appraiser's (ASA).

Steve has complete appraisal work in numerous jurisdictions including Botswana, Canada, Chile, China, Hong Kong, Indonesia, Japan, Kalimantan, Mongolia, New Zealand, Papua New Guinea, Singapore, South Korea, Thailand, USA.

Appraisal Education

- US015-000 – 15 Hour national Uniform Standards of Professional Practice (USPAP) Course
- American Society of Appraisers – Advanced ME214 Mining & Mineral Processing
- American Society of Appraisers – Advanced ME208 Marine Survey
- American Society of Appraisers – Advanced ME206 Appraisal of Inventory
- American Society of Appraisers – Advanced ME217 Advanced Mining
- American Society of Appraisers – Advanced ME201, ME202, ME203, ME204, SE100

Core competencies

- Mining
- Earthmoving and Civil Construction
- Crushing & Screening
- Road Transport inc. Trucks, Trailers etc.
- Buses
- Material Handling
- Motor Vehicles
- Forestry

MRG-3



**Gordon
Brothers**

**Panoramic Resources Limited
(Administrators Appointed)**
Appraisal Report

INVESTMENTS | INVENTORY | **MACHINERY & EQUIPMENT** | BUSINESS VALUATIONS |
BRANDS & INTELLECTUAL PROPERTY | REAL ESTATE

PREPARED FOR: FTI Consulting
PREPARED BY: Mark Griffiths
REPORT DATE: 7 November
2024

Summary of Report

Asset Description	Mining Production & Mobile Plant
Located At:	Halls Creek, Western Australia
Effective Date of Valuation:	8 January 2024
Report Date	7 November 2024
Inspection Dates of Valuation	18th-22nd December 2023 & 5th-8th January 2024
Period of Currency:	3 Months
Definition of Value:	Fair Market Value in Continued Use (FMVICU) & Forced Liquidation Value (FLV)
Purpose of Report:	Administration
Client:	FTI Consulting
Intended User:	FTI Consulting

Gordon Brothers
Suite 3, Level 13
25 Bligh Street
Sydney, NSW, 2000

7 November 2024

Via Email: Daniel.Woodhouse@fticonsulting.com

Daniel Woodhouse
FTI Consulting
Level 47, 152-158 St Georges Tce
Perth
WA 6000

Re: Panoramic Resources Limited (Administrator Appointed).

Dear Daniel,

We refer to recent discussions in connection with the plant and equipment of Panoramic Resources Limited (Administrators Appointed). and thank you for your instructions to undertake an updated **valuation** of the same.

Subject to the matters set out below and at the request of Daniel Woodhouse of FTI Consulting, Gordon Brothers Pty. Ltd. ("Gordon Brothers") has assessed the value of the assets on the basis of FMVICU and FLV determined as follows:

The value of the assets on the basis of Fair Market Value In Continued Use (FMVICU) and Forced Liquidation Value (FLV) determined as follows:

Fair Market Value in Continued Use (FMVICU)	\$53,680,120
Forced Liquidation Value (FLV)	\$9,330,480

All values and amounts displayed throughout this report are in Australian Dollars and are exclusive of GST.

The values and comments contained within this letter should be read with the accompanying report.

Gordon Brothers **has not** previously undertaken a valuation assignment on behalf of Panoramic Resources Ltd and undertake this assignment as external advisors. Neither Gordon Brothers nor any of its personnel involved in the preparation of this report have any material present of contingent interest in either Panoramic Resources or in any of the Assets described herein; or any association with Panoramic Resources or related parties which may lead to bias.

Yours sincerely,

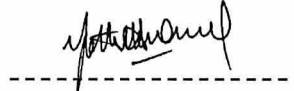
For and on behalf of Gordon Brothers Pty. Ltd.



Mark Griffiths
Director



Jeremy Dodds
Senior Associate



Matt Aubrey
Senior Managing Director

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I. EXECUTIVE SUMMARY



Company: Panoramic Resources Limited
 (Administrators Appointed)
Address: Halls Creek, Northern Territory
Website: <https://panoramicresources.com/>
Key Contact:

As per instructions received on 4 November 2024, an update of the valuation of the Machinery & equipment as summarised herein was requested by Jared Palandri of KordaMentha. We have reviewed the valuation and have determined the values of the assets have depreciated approximately 10% to 20% since the original valuation was conducted in January/February 2024, depending on the asset category. We have updated the values to reflect this depreciation. We note we have not re-inspected the assets and we are not able to consider any material change in the condition and or usage of the assets.

Background and company overview

Panoramic Resources Limited is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004.

Panoramic Resources initially operated its Savannah nickel-copper-cobalt project in WA between 2004 and 2016, when it was placed on care and maintenance due to low nickel prices. The mine was recommissioned in 2018 following the discovery of the Savannah North orebody, before operations were temporarily suspended in April 2020 due to COVID-related disruptions.

Panoramic Resources recommenced operations at Savannah in July 2021, producing first nickel-copper-cobalt concentrate in October 2021 and delivering its first shipment in December 2021. This saw a 10,865t, \$US14.8 million (\$21.7 million) shipment of nickel-copper-cobalt concentrate depart the Wyndham port for delivery to offtake partner Jinchuan in China. By June 2022, Panoramic had delivered its fourth shipment of nickel-copper-cobalt concentrate, with 10,489t attracting a \$US18.1 million (\$26.5 million) payment from Jinchuan. The plant has a nameplate capacity of 150 tonnes per hour and produces nickel concentrate. The plant was commissioned in 2004. The Savannah Mine operation was placed in care and maintenance on the 8th January 2024.

The client and intended users are advised to read the entire report in order to fully comprehend how the opinions of value were determined.

Gordon Brothers have appraised the assets on the basis they are free and clear of any liens or encumbrances unless otherwise stated.

Please see below table outlining the summary of our value findings:

Section	FMVICU	FLV
Processing	\$29,679,100	\$1,713,860
Maintenance Workshop & Stores	\$288,690	\$99,835
Fuel Farm & Core Yard	\$381,040	\$68,540
Emergency Response & First Aid	\$206,540	\$77,340
LV Workshop & General Plant	\$1,519,260	\$257,620
Camp, Admin & Support	\$5,004,820	\$1,628,920
Underground & Survey Equip	\$890,440	\$233,600
Mobile Equipment	\$2,373,180	\$1,862,240
Wyndham	\$3,288,800	\$19,600
Stock	\$5,637,800	\$400,000
Head Office	\$118,450	\$17,645
Encumbered	\$1,418,000	\$1,110,480
Third Party	\$2,874,000	\$1,840,800
Grand Total:	\$53,680,120	\$9,330,480

II. ENGAGEMENT OVERVIEW

PURPOSE OF VALUATION

The purpose of the report is for the Administrator to obtain a fair market in continued use value and forced liquidation value of the assets to which they are appointed over. The definitions of value adopted are considered appropriate for the intended use as discussed with the client and/or intended user.

This report has been compiled in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP holds several fundamental tenets of practice for the professional valuer to follow. These include ethics of conduct, management, confidentiality and record keeping. USPAP additionally sets standards of competency, methodology and continued professional training.

USPAP is designed to promote and maintain a high level of public trust in valuation practice by establishing minimum requirements for appraisers. Valuers must develop and communicate their analysis, opinions and conclusions to clients and intended users of their services in a manner that is both meaningful and not misleading.

The report should not be used for any other purpose. If it is considered for any other use, then we will need to be contacted in the first instance to advise whether the values and commentary contained therein remain relevant for any other purpose than that stated above.

IDENTIFICATION & DESCRIPTION OF THE APPRAISED

As per the scope, Gordon Brothers representatives have conducted this valuation report through a site visit and inspection of the subject assets, research and discussions with key Panoramic Resources Limited (Administrators Appointed) personnel.

We have assumed all information provided by Panoramic Resources Limited (Administrators Appointed) to be correct and accurate.

Assets consist of mining processing equipment including, crushers, conveyors, ball mill, regrind mill, floating cells, dewatering and tailings thickeners, reagents hoppers, pumps, forklifts, motor vehicle, workshop and office equipment.

To assist Gordon Brothers representatives, we have been provided with the following:

- Panoramic Resources Ltd (Administrators Appointed) fixed asset register (FAR) dated Nov 2023.
- Asset inspection and photos taken by the Gordon Brothers representative of assets located onsite
- Plant & Equipment Detailed Listing of Assets

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DEFINITIONS OF VALUE

As requested, the assets have been valued on the basis of Fair Market Value in Continued Use (FMVICU) and Forced Liquidation Value (FLV) This is defined as:

**Fair Market Value in
Continued Use
(FMVICU)**

"An opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification."

***The above Valuation definitions is not a standard definition but created as requested for the purposes of this valuation.*

**Forced Liquidation Value
(FLV)**

"An opinion of the gross amount, expressed in terms of money, that typically could be realised from a properly advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date."

**Valuation definition have been sourced from The American Society of Appraisers "Valuing Machinery & Equipment: The Fundamentals of Appraising Machinery & Technical Assets", Third Edition.*

III. SCOPE OF WORK

Per our instruction letter, in forming an opinion of value for the assets described in this report various investigations and background research was undertaken including the following:

1. Identification of the problem to be solved:

As determined from communications with the client. In this case the value required is Fair Market Value in continued Use (FMVICU) and Forced Liquidation Value (FLV)

2. Site visit and data collection.

On Monday 18thth to Friday 22nd December 2023 and Monday the 4th to Monday 8th January 2024, Gordon Brothers valuers inspected the machinery and equipment that is the subject of the appraisal. Situated at Panoramic Resources Limited (Administrators Appointed)(the Company)' facility at Savannah Mine, Halls Creek, WA. Panoramic Resources Limited (Administrators Appointed) (the Company) personnel assisted in the inspection and information-gathering process. During the inspection, detailed descriptive information about the assets was identified and compiled. Whenever possible, this included manufacturer, model, serial number, year of manufacture, and capacities and specifications. A variety of other data relating to the assets was discussed, requested, and gathered during the inspection. In some cases, additional information was subsequently requested.

3. Application of approaches to value:

The valuation analysis included consideration of transactions involving sales of similar assets. It also considered the availability of competitive equipment on the open market and the overall condition and quality of the subject assets compared with the assets sold or available.

Research included searches of comparable sales databases including platforms such as AsseteX and Gordon Brothers' own data base which includes sales from Australia and globally; Currently advertised for sale prices from websites such as Machinery Trader, Construction Sales; discussions with internal Gordon Brothers asset specialists.

Gordon Brothers also contacted OEMs, manufacturers' representatives, used machinery and equipment dealers, and auctioneers and liquidators for certain key assets. When relevant, discussions included supply and demand factors, the overall condition of the market, and the number of potential purchasers in the market for similar assets. In some instances, Gordon Brothers obtained additional information from other knowledgeable industry sources to assist in the analysis.

Gordon Brothers assembled and analysed all the information gathered for the subject assets, and during the market research process the approaches to value most appropriate to the purpose and intended use of the appraisal were then developed. These approaches to value are outlined in section 4 of this report. The value indications were reconciled, and the most meaningful data was considered in the final value estimates.

IV. VALUATION PROCESS

VALUATION METHODOLOGY

There are three generally accepted valuation approaches that are used to derive an indication of the value of plant and machinery. These approaches are; Cost Approach, Sales Comparison Approach, and Income Approach to value. These approaches are defined as follows:

Cost Approach	<i>"a set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all depreciation, including physical deterioration, functional obsolescence, and external/economic obsolescence."</i>
Sales Comparison Approach	<i>"a set of procedures in which an appraiser derives a value indication by comparing the inventory being appraised to similar assets that have been recently sold or are currently available for sale, applying appropriate units of comparison, and adjusting based on the elements of comparison to the sale prices of the comparable."</i>
Income Approach	<i>"a set of procedures in which an appraiser derives a value indication for income-producing assets by converting anticipated benefits into value. This conversion is accomplished either by (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate."</i>

In this engagement although all methods of valuation were considered it became clear at an early stage that the best approach for FLV was to utilise a combination of the Cost Approach and Sales Comparison Approach. The Cost Approach was used to give weight in final analysis in particularly for assets where like market was unavailable. Marketability of each item was also a determinant of value. Marketability, as a measure of demand, is approximated through recent sales under similar sale conditions. Where actual sales are not available, relationships are often established based upon asking prices for comparable items, with subsequent adjustments for similar sale conditions.

In determining the FMVICU a Cost Approach was used on a consolidated single line basis allowing adjustment for estimated replacement cost, residual values, useful life, and current condition. Discounts were

applied for an orderly sale and estimated expenditure to resume operation. Gordon Brothers spoke with representatives of several OEM's including, GE Engineering, Thermo Scientific, FLSmidth, Joest, and Volvo Machinery. Gordon Brothers also contacted major mining equipment suppliers in the Domestic market.

Depreciation includes loss in value due to physical deterioration as well as functional and economic obsolescence. Functional obsolescence is the decreased capacity of the item to perform the function for which it is intended in terms of current standards and specifications. Functional obsolescence may stem either from a deficiency within the items such as poor design or outmoded style or may result from super-adequacy or over-design. Economic obsolescence represents a loss in value from factors outside the item appraised, such as a depressed market for the product. These factors generally are characterised as "negative external forces," which have an impact upon the item appraised. Comparisons are sometimes made to recent cost data when comparable sales are not found under the appraisal concept.

The Income Approach was considered but not used in this report. This is due to the difficulty in determining what portion of the total income and expense stream of a given plant would be attributable to a specific piece of equipment. This type of analysis is not appropriate to the scope of this appraisal.

V. ASSET & INDUSTRY ANALYSIS

COMPANY INFORMATION

Savannah Mine or Savannah Nickel-Copper-Cobalt Mine (formerly the Sally Malay Mine) is an open cut and underground Nickel, Copper, and Cobalt mine 104kms north-northeast of Halls Creek in the Kimberley region of Western Australia. The mine was first commissioned in late 2004 and produced 1.22Mt of concentrate containing 94,600t of nickel, 53,000t of copper and 5,000t of cobalt over a 12-year period, before being kept on care and maintenance in May 2016 due to low Nickel prices.

By 2017–18, with nickel prices recovering, the company started planning for the reopening of the Savannah mine, signing new delivery contracts. The cost of restarting production at the mine was estimated to be A\$36 million. The mine briefly reopened in 2019, but was closed once more in April 2020 because of travel restrictions in the Kimberley region in place because of the COVID-19 pandemic and associated cost and supply issues. The mine was restarted once more in late 2021, now with an estimated mine life of twelve years.

In March 2023, the company extended the prospective mine life of Savannah to 2035, with an estimated annual production of 9,400 tonnes of nickel, 5,000 tonnes of copper and 700 tonnes of cobalt during this period.

The Savannah Mine was placed into care and maintenance in January 2024 due to declining Nickel prices. Since mining operations began, more than \$150 million has been invested in mining, processing and site infrastructure including the underground mine, processing plant, a paste fill plant, a 180-room accommodation village, workshops, office buildings, tailings, water storage facilities, concentrate storage facilities and other associated infrastructure.

ASSET OBSERVATIONS & MARKETABILITY

Ore Processing Mill

The processing mill at the Savannah Mine was commissioned in August 2004 consists of a single stage crusher, a SAG mill and a flotation plant along with thickening and filtering facilities and a Lime Slaking Plant. This process produces bulk nickel, cobalt and copper concentrate. From a metallurgical point of view, it is a plant that performs extremely well. The plant was originally designed for a throughput of 750,000 tonnes per annum, but consistently outperforms the design specifications with rates exceeding 950,000 tonnes on an annualised basis. The Process Mill has been refurbished and upgraded during its life at a cost of approximately AUD\$11,000,000.

Underground ore is stockpiled on the ROM pad before being fed into the ROM dump hopper for processing in the crushing circuit. A vibrating grizzly feeder reclaims ore from the ROM dump hopper and controls feed to the primary jaw crusher. Undersized ore is fed to the ROM conveyor along with the crushed ore from the primary crusher. Crushed product then goes onto the first series of conveyors, transfers primary crushed ore from the ROM station to transfer station. The transfer station is used to transfer crushed ore from the ROM conveyor, secondary cone crusher and tertiary cone crusher conveyor to the screen feed conveyor.



Once the ore is at a size product, it passes through the screen into the fine ore bin, then passes to the ore bin discharge conveyors or emergency feed conveyor located underneath the ore bin. The mill transfer conveyor is to reclaim fine ore from the fine ore bin and convey it to the ball mill feed conveyor. The crushers are made by Jaques, under the Terex brand and recognized as an industry leader in this field.

The ball mill is one of the most common methods of grinding or size reduction in the mining industry. An electric motor is used to rotate the drum which in turn causes the balls to move within the inside of the drum causing impact on the product and the ore rubbing against itself. This then reduces the size of the product breaking it down into a pulp.

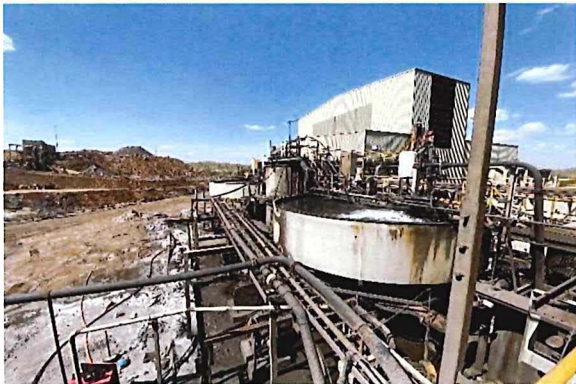


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Once the product leaves the ball mill the pulp is moved to a discharge hopper and water added to the mix before being pumped through to a cyclone cluster. The cyclone separates the product and is dispersed back into a splitter box where additives are added and moved either back into the ball mill or into a flash floatation cell. The concentrate from the flash floatation passes through a trash screen and onto the concentrate hopper.

The concentrate is pumped into the floatation conditioning tank agitator before moving through the rougher stage. The rougher stage consists of 5 floating cells in series. Concentrates produced are pumped through the cleaning stage cells. Tailings from the rougher stage are fed further through the cells for refinements. Once the concentrate passes through the cleaning stage it passes through recleaning cells. The floatation cells are manufactured by Outokumpu and have been designed to maximise fine partial recovery. The pumps that are used to transfer are built by Warman which is well regarded brand.

When floatation is finished with the ore, and a final concentrate has been produced it is transferred to the concentrate thickener before it is dried for shipping. Within the scope of a de watering circuit are three categories of equipment, thickening, filters, and the dryers. Each one is a stage in producing a dry final product. At this stage the bulk of the water is removed in the thickener with the solids settling on the bottom of the thickener tank before being filtered out for transportation.



Workshop & Laboratory

The mine contains two of its own workshops, light vehicle and heavy machinery workshop and an electrical/general goods workshop. Housed in sheds with transportable office buildings attached. The workshops contain host of generic engineering and workshop equipment such as vehicle hoists, air compressors, drill press, welders, tyre changers & balancers, as well as host of power tools, workbenches and storage units such as 20-foot containers. Given the remoteness of the site, and the condition of the equipment, this has been factored into our FLV estimates.

The laboratory is located near the processing facility and contains furnaces, grinding mills, fume extraction cabinets, flammable liquid cabinets and analysing equipment. the laboratory is housed by sheds which also includes two offices built into the complex.



Mobile Equipment

The company's fleet of mobile equipment consists of well regarded manufacturers Volvo, Caterpillar, Toyota, Franna amongst others. The most notable units in the earthmoving fleet are the 2x Volvo L180H, Volvo L120H & Volvo L260H Wheel Loaders. The company owns a AT20 Franna crane built in 2005. Other ancillary mobile equipment includes a Caterpillar 725 articulated water cart, forklifts and trailers. Panoramic maintain a fleet of light vehicles which consist of predominately Toyota Hilux & Landcruiser models. Overall, the fleet presents on good condition, but it is to note that most units are showing signs of surface rust which is not uncommon given they are servicing underground mines which have a heavy salt content.



Mine Camp

The Savannah mine camp can accommodate up to 300 people made up of 4- & 6-bedroom relocatable buildings built by leading OEM Ausco. The camp is equipped with administration offices, gym, dry mess, wet mess, laundry buildings, ablution blocks, water treatment facility, and ancillary assets such as generators and pumps. Values attributing to the camp were arrived at through speaking with industry sources, dealers & OEM's. Gordon Brothers took into consideration the remoteness of the mine site and considerable transport and decommissioning costs associated with the sale of a camp of this stature. This is particularly evident in an enforcement scenario if sold on a piecemeal basis. Individual buyers will factor in labor costs, crane hire, and transport, this ultimately will be reflected in the realisation. Also, to note is the WHS risks associated in the removal process and as such a sole contractor would need to be engaged to manage the decommissioning of buildings, packing for transport and crange onto customer transport.



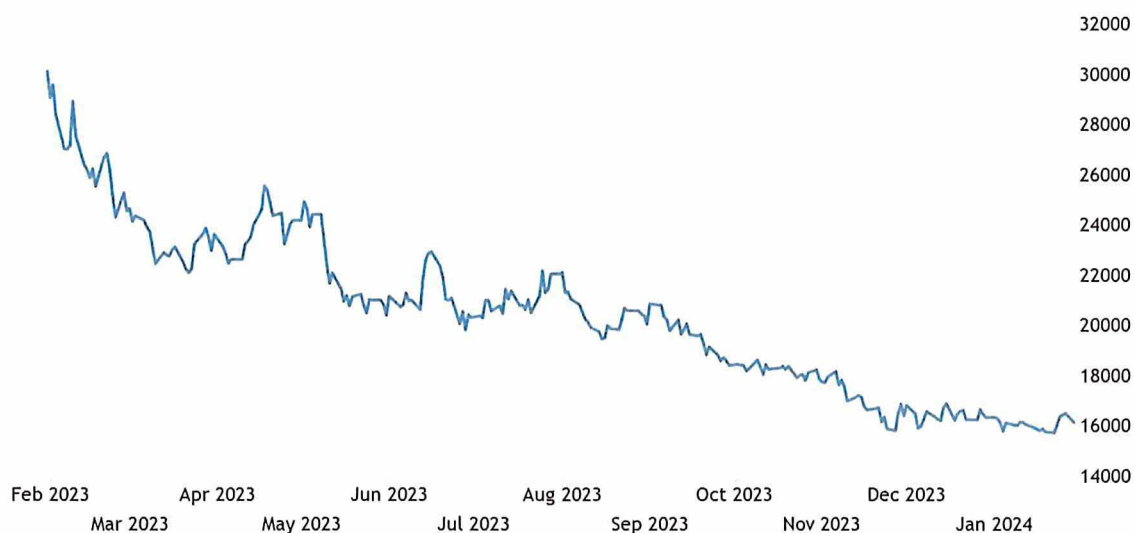
INDUSTRY & MARKET OBSERVATIONS

Nickel ore miners faced generally positive operating conditions over the past five years, with strong pricing growth and demand being partly offset by output declines. Most nickel ore mined in Australia is processed locally into nickel concentrate by downstream smelting and refining firms, or by nickel ore mining companies that also operate their own smelters and refineries. All nickel ore mined by the industry is from Western Australia. Infrastructure projects and the production of nickel-based stainless steel goods in China drove global demand for nickel over the past five years. These factors positively affected Australian nickel exports, with domestic demand also rising strongly.

Nickel ore production is expected to total 186.6 thousand tonnes in 2023-24, with strong growth anticipated as existing mines ramp up production. Production has fallen over the past decade due to period of low prices, Panoramic Resources and Mincor Resources placed three nickel ore mines on care and maintenance in 2015-16, and FQM Australia placed its Ravensthorpe nickel mine on care and maintenance in 2017-18. These actions contributed to volume falls in most years over the five-year period. Some of these mines recommenced operations over the three years through 2021-22, with others expected to recommence over subsequent years. Nickel ore mining revenue is anticipated to increase at an annualised 10.6% over the five years through 2023-24, to \$4.1 billion. This trend includes a 6.7% fall in the current year, due to weakening prices.

Industry revenue is projected to rise at an annualised 1.3% over the five years through 2028-29, to \$4.3 billion. Output is forecast to increase as new mines start production, some existing mines recommence production, and other mines expand output. Miners are set to benefit from accelerating electric vehicle adoption. However, nickel prices are forecast to decline from the highs of 2022-23 due to global nickel output growth. Industry profit margins are also projected to increase over the next five years.

Source: Ibis World



Key Statistics

**\$2.8bn**
Revenue

Annual Growth	Annual Growth
2016–2021	2021–2026
1.7%	4.8%

Annual Growth
2016–2026**\$244.8m**
Profit

Annual Growth
2016–2021
16.3%

Annual Growth
2016–2021**8.8%**
Profit Margin

Annual Growth
2016–2021
4.3pp

Annual Growth
2016–2021**19**
Businesses

Annual Growth	Annual Growth
2016–2021	2021–2026
3.5%	4.8%

Annual Growth
2016–2026**2,408**
Employment

Annual Growth	Annual Growth
2016–2021	2021–2026
-0.3%	3.1%

Annual Growth
2016–2026**\$402.5m**
Wages

Annual Growth	Annual Growth
2016–2021	2021–2026
-1.6%	4.2%

Annual Growth
2016–2026

Key External Drivers

% = 2016–21 Annual Growth

8.7%

World price of nickel

5.3%

Demand from gold and other non-ferrous metal processing

12.6%

World price of steel

N/A

US dollars per Australian dollar

Industry Structure



POSITIVE IMPACT

Life Cycle
GrowthBarriers to Entry
High / Steady

MIXED IMPACT

Revenue Volatility
Medium
Competition
Medium / SteadyTechnology Change
Medium

NEGATIVE IMPACT

Capital Intensity
High
Concentration
High
Industry Globalization
High / SteadyIndustry Assistance
Low / Steady
Regulation & Policy
Heavy / Steady

Key Trends

- Stronger downstream demand and supply shortages have led to stronger nickel prices
- Industry profit margins have risen from a low base over the past five years
- Nickel ore mining companies have reduced staff numbers over the past five years
- Industry revenue and volumes are projected to increase strongly over the next five years
- China is anticipated to increase its processed nickel output over the next five years
- Industry profit is anticipated to increase due to higher prices and cost-cutting programs
- Most nickel ore mined in Australia is processed locally into nickel concentrate

VI. SALE CONSIDERATIONS

Gordon Brothers would assume that the administrators would run two-step process to best maximise the recovery values.

- 1) Expressions of Interest (EOI): The main processing facility would be of interest to specific operators within the mining sector, accordingly an expression of interest sale campaign would be the most effective sale methodology. This campaign should ideally run over a period of six months. Once buyers are identified, direct negotiation should take place to maximise offers without disclosing to them what other offers have been received. The best offers are then presented to the secured creditor for consideration.
- 2) Online auction (In-situ). Mobile assets, workshop equipment, laboratory equipment, underground assets and ancillary items of broad appeal are suited to an online auction. Should any parts of the processing plant remain unsold after the six-month EOI campaign we suggest putting it an online auction and running it concurrent with the mobile assets. The online auction will run over a five-day period with a three-week lead time for marketing. It should be noted that buyers will factor in decommissioning and transport costs into their final bid prices.
- 3) Salvage Assets-The salvage assets should be offered on a tender basis during the EOI process. Gordon Brothers recommend that a single contractor be awarded the salvage asset removal based on their offer pricing, capability to safely remove the assets without environmental disruption nor damage to other assets sold as part of the EOI/Auction campaigns. Multiple contractors can lead to disputes and OHS issues. A major OH&S focus would be required with procedures in place to ensure that a safe workplace remains particularly in relation to demobilisation of the fixed plant assets.

VII. OTHER CONSIDERATIONS

EXCLUDED ITEMS

The following have been excluded from our report as being outside our scope of works:

- Any asset located on any premise other than those we attended and which we were not made aware of;
- All forms of intellectual property such as goodwill, software etc.;
- All assets considered land, buildings or fixtures or building and/or structural improvements;
- All assets which are said to be provided under operating or rental/hire agreements.

GOODS AND SERVICES TAX ("GST")

The values provided in this report are **exclusive of GST**.

CURRENCY EXCHANGE RATES

It may be the case that some of the market data used in this analysis originated from international manufacturers and suppliers. Accordingly, we have used exchange rates prevailing at the date of valuation to enable us to make meaningful comparisons with Australian sourced data.

LEASED AND THIRD-PARTY PROPERTY

Ownership categorization and any comment as to outstanding amounts provided in this report is reliant on information provided to us and as such is accurate solely to the extent the information relied upon was accurate. We have not sought to verify title via the PPSR register. Neither have we procured loan pay-outs direct from the relevant loan provider(s).

VALIDITY PERIOD OF VALUATION

The values contained herein are current as at the stated date of valuation only. In the normal course of events assuming market factors which underpin the basis of our values remain stable, the values in this report can be considered valid for a period of up to three months.

In the event external and/or market factors shift suddenly and/or unexpectedly (within three months) causing those underlying value assumptions to change then the validity period would be void and a review of values required. No liability in respect to any loss or damage claimed from any such change(s) is accepted. Similarly, no liability or responsibility is accepted for any party's reliance on this report after the three-month validity period.

EFFECTIVE DATE OF VALUATION

The effective date for the valuation is 8 January 2024 . This is the only date at which the valuation opinion applies and only for the stated purpose. Only known or knowable information available as of the effective date of the valuation is to be considered in the development of an opinion of value. It is important to understand that the effective date may be quite different to the date the report was produced. This is true for valuations that are retrospectively or prospectively based. The reporting date for this valuation is the 2 February 2024.

VIII. ASSET PHOTOGRAPHS



PROCESS MILL



PROCESS MILL



PASTE PLANT



ACCOMMODATION CAMP



UNDERGROUND SUBSTATION



UNDERGROUND DISTRIBUTION BOARD



LIGHT VEHICLE 302



BUS 002



TL01



ADMINISTRATION AREA



FUEL FARM



WYNDHAM

IX. LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

This plant, machinery and equipment valuation is made subject to the following:

GENERAL LIMITING CONDITIONS

- 1) The determined values are exclusive of Goods and Services Tax. Our Forced Liquidation Value does not consider any costs associated with realising the value of the assets.
- 2) The valuation is made solely for the use of Panoramic and FTI and intended users to whom it is addressed. No responsibility to any third party is, or will be, accepted for any part of the valuation.
- 3) Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another valuer or anyone else without the written consent of Gordon Brothers.
- 4) Physical condition in most instances has been determined by assumption. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, nor for any expertise required to disclose such conditions.
- 5) No investigation of legal title to the property, unless explicitly stated otherwise, has been made and the claim to the property has been assumed to be valid.
- 6) No additional values have been made in regard to such intangibles as patents, trademarks or goodwill.
- 7) Information, estimates and opinions furnished by the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party.
- 8) Matters of a legal nature or with tax consequences have not necessarily been considered in this report. The reader should consult a competent legal advisor and/or a qualified tax accountant for information and opinions in those areas.
- 9) Machinery and equipment appraisers are called on for valuation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavoured to use basic sound, accepted methodologies in any assignment. When applicable conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Conclusion is arrived at from many years of experience in the sale and appraisal of machinery and equipment. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report. Due to the complexities and variables on the many items of fixed assets, itemised values become the guideline for justification rather than individual summaries for each conclusion.
- 10) The valuer has endeavoured to use due diligence in all market comparisons. If possible, multiple comparisons of similar items sold within a reasonable and applicable time period usually provide substance for a credible value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the appraiser has relied heavily on comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesalers for example) in arriving at the final value estimate.

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- 11) Each item in the valuation has been individually assessed with regard to a total package at an orderly liquidation sale. The values shown are not intended for the piecemeal selling of separate items. In the event that any item included in this valuation is separately sold or is withdrawn from sale or is to be sold either at a time different to the other items or from a different location then a re-valuation of the remaining items will be necessary.
- 12) It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machinery might include: guards, electrical starters, switch-gear, safety equipment, wiring, conduit/piping and electrical, pneumatic or hydraulic controls systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the investigation.
- 13) Description of items made as part of this report is believed correct to the best ability of the appraiser. Any errors or omissions were unintentional and should not affect the value assignment.
- 14) The subject equipment may or may not conform to local OHS standards. The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
- 15) The valuation has been prepared in good faith on the basis that full disclosure of all information and salient points which may affect the valuation. The compilers of this report and signatories of the certification, expressly disclaim all liability for any loss or damage (including economic and consequential loss) suffered by any person acting or relying on the valuation notwithstanding any act or omission, representation, negligence, default or lack of care by any person.
- 16) The valuation is valid only as of the effective date of the report and for the purposes outlined in the section "Purpose of Valuation".
- 17) The valuation concept used in this report is one accepted by the client.
- 18) Nothing in this report constitutes as financial advice prepared for FTI Consulting.
- 19) All assets valued on a sight unseen basis should be considered indicative only. Gordon Brothers accepts no liability for reliance placed on assets valued on a sight unseen basis. Gordon Brothers can not verify the condition, nor the existence of any assets valued on a sight unseen basis and have relied solely on the information provided to arrive at the ascribed values.

Extraordinary Assumptions specific to this assignment

No extraordinary assumptions were made.

Hypothetical Assumptions specific to this assignment

No hypothetical assumptions were made.

X. CERTIFICATION OF VALUE

It is hereby certified that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions set forth in this report are limited only by the assumptions and limiting conditions (imposed by the terms of the assignment or by the undersigned) set forth by this report, and are personal, unbiased, professional analyses, opinions, and conclusions.
- Gordon Brothers has no current or contemplated future interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- Any statement(s) of condition are the result of visual inspection only and should not be construed as an opinion of operability or utility.
- The engagement of Gordon Brothers in this assignment was not contingent upon developing or reporting predetermined results.
- Neither the valuation nor the amount of the fee is contingent upon developing or reporting a predetermined value, requested minimum value, a direction in the value that favours the cause of the client, a specific valuation, the approval of a loan, the amount of the value estimates or attainment of a stipulated result, nor is the compensation contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- No person or persons other than those acknowledged below prepared the analysis, conclusions, and opinions, or provided significant professional assistance
- In preparation of this report, analysis, opinions, and conclusions have been developed and Gordon Brothers have conformed with procedures and definitions contained within the Uniform Standards of Professional Appraisal Practice ("USPAP") as defined by the Appraisal Standards Board of The Appraisal Foundation.
- The undersigned, unless denoted by an (*), has made an inspection of the personal property that is the subject of this report.
- Mark Griffiths and Jeremy Dodds have performed no services as an appraiser or in other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

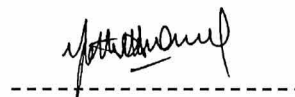
For and on behalf of Gordon Brothers Pty. Ltd.



Mark Griffiths
Director



Jeremy Dodds
Senior Associate



Matt Aubrey
Senior Managing Director



Appendices

- I: Definitions
- II: Appraiser Qualifications
- III: Valuation Schedule

APPENDIX I. DEFINITIONS

Source - "Valuing Machinery and Equipment: "The Fundamentals of Appraising Machinery and Technical Assets", The American Society of Appraisers, Third Edition,

Excellent (E) This term describes those items that are in near-new condition and have had very little use.

Extraordinary Assumption is an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions (USPAP page U-3)

Fair (F) This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilisation because of the effect of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilised to or near their original specifications. Pg. 58

Fair Market Value is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

Fair Market Value in Continued Use with Assumed Earnings is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

Fair Market Value in Continued Use with an Earnings Analysis is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and supported by the earnings of the business.

Fair Market Value – Installed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

Fair Market Value - Removed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering removal of the property to another location, as of a specific date.

Forced Liquidation Value is an opinion of the gross amount, expressed in terms of money, that typically could be realised from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is where-is basis, as of a specific date

Good (G) This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilisation.

Hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis (USPAP page U-3)

Insurable Value Depreciated The insurance replacement or reproduction cost less accrued depreciation considered for insurance purposes, and as defined in the insurance policy or other agreement, as of a specific date.

Liquidation Value in place is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a properly advertised transaction, with the seller being compelled to sell, as of a specific date, for a failed, non-operating facility, assuming that the entire facility is sold intact.

New (N) This term describes new items that have not been used before.

Orderly Liquidation Value An opinion of the gross amount, expressed in terms of money, that typically could be realised from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date

Poor (P) This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realise full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

Replacement cost new Is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date.

Reproduction cost new The cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials, as of a specific date.

Salvage Value (S) is an opinion of the amount, expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for possible use elsewhere, as of a specific date.

Scrap Value (X) An opinion of the amount, expressed in terms of money that could be realised for the property if it were sold for its material content, not for productive use, as of a specific date.

Very Good (VG) This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

APPENDIX II. VALUER CREDENTIALS & MEMBERSHIPS

Mark Griffiths

Mark has held numerous senior management roles and has over 29 years' experience in the Appraisal, Valuation and Auction industry. Mark has been appointed across a broad range of industry sectors, in particular the Mining, Earthmoving, Construction, Manufacturing, Aviation, Marine, and Transport sectors and is well respected as an adviser on valuation and asset sale issues.

Widely recognized for his skills in formal and informal valuations, marketing and project managing asset sales. Mark has been appointed to manage and conduct some of the major auction and valuation projects in Australia.

Core Competencies

Mark has experience in the following industries:

- Mining
- Earthmoving and Civil & Civil Construction
- Trucks, Trailers and Transport
- Agricultural Equipment
- Hospitality and Catering
- Motor Vehicles
- Manufacturing
- Forestry

Education

- ME201 – Introduction to Machinery and Equipment Valuation
- ME202 - Machinery and Equipment Valuation Methodology
- ME203 - Advanced Topics and Case Studies
- ME204 – Advanced Topics and Report Writing

Qualifications Memberships

- American Society of Appraisers – Candidate Member
- Universal Standards of Professional Appraisal Practice (USPAP)

Jeremy Dodds

Jeremy Dodds is an Associate for Gordon Brothers' Perth office with over 5 years' experience in the valuation of plant and equipment of asset disposition projects. Prior to joining Gordon Brothers, Jeremy served for as a Valuer at Graysonline, Australia's largest e-commerce group, where he completed complex projects for numerous banking, insolvency and private clients across WA and Australia.

Core Competencies

Jeremy has experience in the following industries

- Transport
- Mining & Construction
- Earthmoving and Civil
- Trucks, Trailers, and Transport
- Motor Vehicles
- Manufacturing

Appraisal Education

- US015-000 – 15 Hour national Uniform Standards of Professional Practice (USPAP) Course
- ME201 – Introduction to Machinery and Equipment Valuation
- ME202 - Machinery and Equipment Valuation Methodology
- ME203 - Advanced Topics and Case Studies
- ME204 – Advanced Topics and Report Writing

Steve Wall – Director, Valuations

Steve's professional's background is a unique combination of Financial Services and Appraisal expertise in formal appraisals, residual value advice, industry analysis, equipment & valuation advice, pricing and remarketing of assets through the Asia Pacific region.

Steve has over 30 years' experience as a senior appraiser and is globally recognised in valuing and appraising a wide variety of business assets covering many diverse industries but with strong expertise in Mining.

Steve has been full member of the Auctioneers & Valuers Association for over 25 years and holds the title of Certified Practising Valuer (Plant & Machinery), number 267 and Steve is previous past President of the Australian Chapter of the American Society of Appraiser's (ASA).

Steve has complete appraisal work in numerous jurisdictions including Botswana, Canada, Chile, China, Hong Kong, Indonesia, Japan, Kalimantan, Mongolia, New Zealand, Papua New Guinea, Singapore, South Korea, Thailand, USA.

Appraisal Education

- US015-000 – 15 Hour national Uniform Standards of Professional Practice (USPAP) Course
- American Society of Appraisers – Advanced ME214 Mining & Mineral Processing
- American Society of Appraisers – Advanced ME208 Marine Survey
- American Society of Appraisers – Advanced ME206 Appraisal of Inventory
- American Society of Appraisers – Advanced ME217 Advanced Mining
- American Society of Appraisers – Advanced ME201, ME202, ME203, ME204, SE100

Core competencies

- Mining
- Earthmoving and Civil Construction
- Crushing & Screening
- Road Transport inc. Trucks, Trailers etc.
- Buses
- Material Handling
- Motor Vehicles
- Forestry