



ANALYSIS

Falling commodity prices and a tighter funding environment led Panoramic Resources into administration in December 2023. The firm, founded in 2001, is a leading Australian mining company operating in the nickel, gold, and platinum group metals exploration segments. The Savannah Nickel Project in Western Australia is one of Panoramic's key investments; however, it has been plagued by falling nickel prices, operational issues and external disruptions. The mine was closed in April 2020 as COVID-19 restricted travel and impacted supply to the mine.

Panoramic weathered COVID-19 disruptions and reopened the Savannah mine in 2021, but the firm saw its market capitalization substantially decline as global nickel prices trended lower. The company also faced escalating production costs, machinery failures, and severe weather conditions that disrupted a crucial transport route, leading to a 57% fall in market asset value in 2023. The EDF-X Early Warning System flagged the firm as an elevated credit risk from February 2023 onwards as Panoramic's Probability of Default breached its peer-group based trigger level.

Panoramic was able to raise \$46m in July 2023 in an attempt to salvage the situation; however, the firm was tipped into administration in December 2023, forcing it to halt operations at its Savannah mine and jeopardizing over 300 jobs.