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# TAKEOVER OFFER FOR PANORAMIC RESOURCES LIMITED

Investor Presentation

4 November 2019

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# Cautionary note and disclaimer (cont.)



## Mineral Resources and Ore Reserves

The information in this presentation relating to IGO's Ore Reserves and Mineral Resources is extracted from the report titled "CY18 Mineral Resource and Ore Reserve Statement" released on ASX on 20 February 2019, for which competent person's consents were obtained. These Mineral Resource and Ore Reserve statements and their accompanying assumptions, technical parameters and explanatory notes are available to be viewed at [igo.com.au/site/operations/resources-and-reserves](http://igo.com.au/site/operations/resources-and-reserves).

IGO is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, considers that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the competent person's findings are presented have not been materially modified from the original market announcement. The competent person's consents remain in place for subsequent releases by IGO of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The information in this presentation relating to Panoramic's Ore Reserves and Mineral Resources is extracted from the ASX announcement titled "2019 Annual Report" released on 18 October 2019 and available to view at <https://www.asx.com.au/asxpdf/20191018/pdf/449mpmb6kt5ztb.pdf>. IGO has not independently verified this information.

## Financial information

All currency amounts in Australian Dollars (AUD) unless otherwise noted.

The pro forma and forecast financial information provided in this presentation is for illustrative purposes only and do not represent a forecast or expectation as to IGO's or Panoramic's future financial condition and/or performance. This presentation has been prepared at a time where the review of financial information contained in this presentation has not been completed and accordingly, each recipient should only rely on any forecast or expectation as to IGO's or Panoramic's future financial condition and/or performance that is contained in a prospectus or other offer document lodged with an applicable regulator.

All cash costs quoted include royalties and net of by-product credits unless otherwise stated.

IGO reports All-in Sustaining Costs (AISC) per ounce of gold sold in AUD for its 30% interest in the Tropicana Gold Mine using the World Gold Council guidelines for AISC. The World Gold Council guidelines publication was released via press release on 27th June 2013 and is available from the World Gold Council's website.



# OFFER OVERVIEW



# Why is IGO offering to acquire Panoramic?

Aligned with strategy, enables IGO to leverage its expertise into an expanded nickel portfolio



Acquisition aligned with strategy, increasing production of nickel – a critical clean energy metal

Leverage IGO's capabilities and expertise to maximise value from Savannah

Adds a second Australian exploration and production camp

Enhances IGO's nickel sulphide production profile

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# Compelling value for Panoramic shareholders

Up-front, de-risked value and enhanced ongoing exposure to nickel through a stronger vehicle



**Very attractive 51% premium to the 1-month VWAP of Panoramic**

**De-risk investment in Panoramic within a stronger, larger, more diversified and liquid vehicle**

**Enhance value through IGO's technical, financial and operating capability**

**Retain and enhance exposure to attractive nickel market dynamics**

**Benefit from IGO's attractive shareholder returns policy**

**Potential access to capital gains tax (CGT) scrip for scrip rollover relief**



# Details of IGO's Offer<sup>1</sup>

All scrip, off-market take over offer for Panoramic – owner of the Savannah Project (WA)



**1 IGO share per 13 Panoramic (PAN) shares**

Implied Offer Value<sup>2</sup>

**47.6 cents / PAN share**

Implied PAN Equity Value<sup>3</sup>

**A\$312M**

Premium to last closing price  
(1 November 2019)

**42%**

Premium to 1 Month VWAP<sup>4</sup>

**51%**

Premium to 2 Month VWAP<sup>5</sup>

**52%**

**IGO's Offer is subject to the conditions set out in the Bidder's Statement, including a number of conditions that are necessary to confirm the current status of the Savannah operations given Panoramic's performance since it commenced the restart of Savannah mining operations in December 2018**

1) Refer to the IGO Bidder's Statement dated 4 November 2019 for full details of the Offer

2) Based on the 1 month VWAP of IGO Shares up to and including 1 November 2019, being the last trading day before the Announcement Date.

3) Based on 654,235,709 Panoramic shares outstanding as per the latest Panoramic Appendix 3B (ASX Announcement 30 September 2019).

4) Based on the Volume weighted average price (VWAP) for the 1 month up to and including 1 November 2019.

5) Based on the Volume weighted average price (VWAP) for the 2 months up to and including 1 November 2019.





**RATIONALE FOR  
THE OFFER**



# Panoramic's Savannah Operation

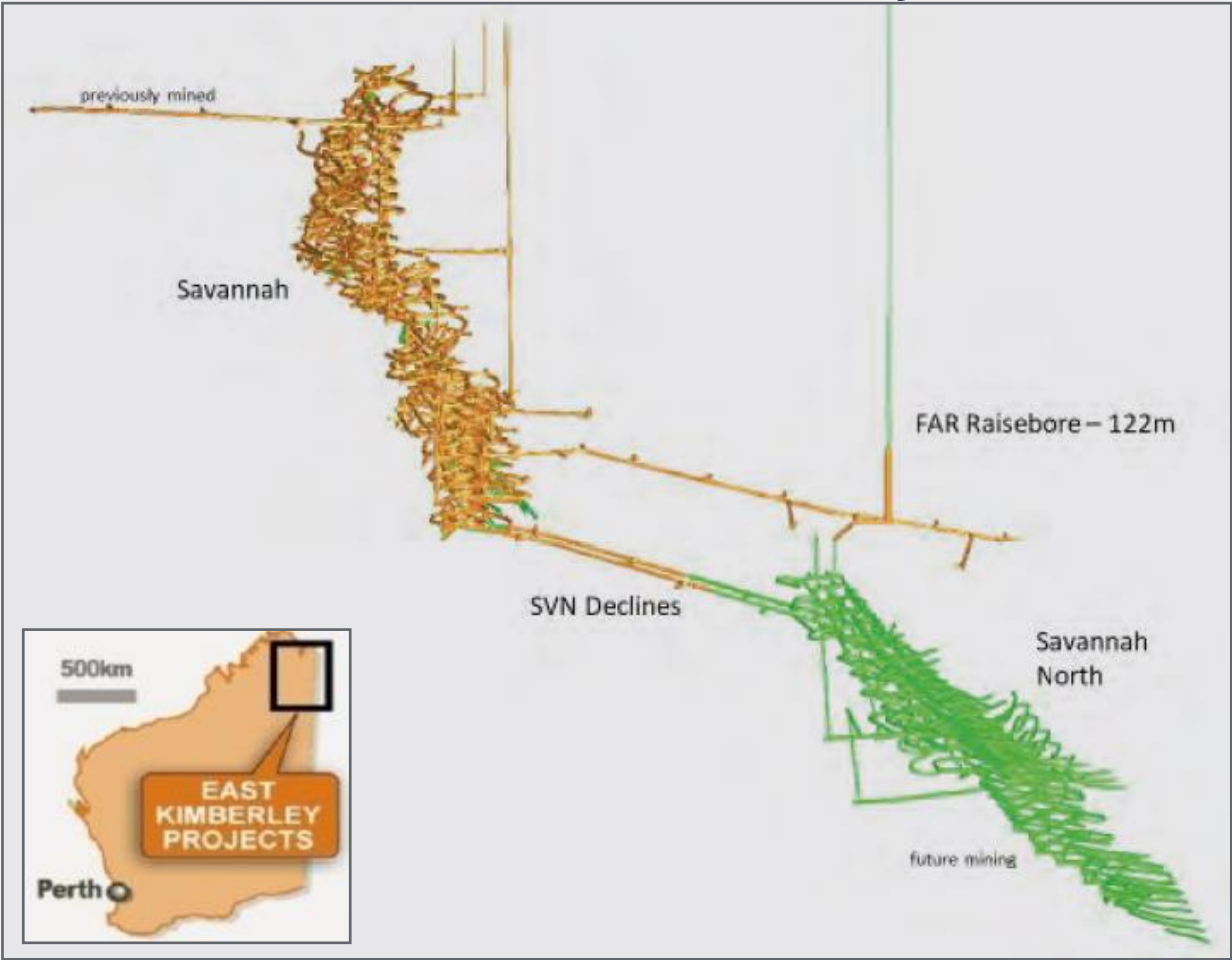
Potential to produce ~11ktpa of nickel sulphide at an operating cash cost of ~A\$3.10/lb



## Savannah

Mineral Resources and Ore Reserves <sup>1</sup>	~217kt Ni Resource ~110kt Ni Reserve
Average annual metal in concentrate production <sup>2</sup>	10.8ktpa Ni, 6.1ktpa Cu and 0.8ktpa Co
Life-of-mine cash costs <sup>3</sup>	Operating: A\$3.10/lb Sustaining: A\$4.50/lb
Long Mine Life <sup>4</sup>	8+ years
Infrastructure in Place <sup>5</sup>	~1.0 Mtpa plant 200 person village
Attractive Jurisdiction	Kimberley Region (Western Australia)

## Schematic of the Savannah mine and the Savannah North orebody<sup>6</sup>



1) As at 30 June 2019 per the Panoramic 2019 Annual Report, Page 128-129 (Panoramic ASX Announcement 18 October 2019).

2) Life of mine average annual production per the Updated Savannah Feasibility Study (Panoramic ASX Announcement 27 October 2017).

3) Operating cash cost and sustaining cash cost per pound of payable nickel per the Updated Savannah Feasibility Study (Panoramic ASX Announcement 27 October 2017). Operating cash cost defined as mining, processing, geology, OHS&E, general and administrative, and concentrate transport costs, plus royalties, less by-product credits, divided by payable nickel produced. Sustaining cash cost defined as operating cash cost plus stay-in-business capital expenditure.

4) Updated Savannah Feasibility Study (Panoramic ASX Announcement 27 October 2017).

5) Panoramic Investor Presentation, Page 21 (Panoramic ASX Announcement 5 September 2019).

6) This figure shows the completed status of the twin declines into Savannah North and the Savannah North FAR Raisebore as of 30 June 2019 per the Panoramic 2019 Annual Report, Page 21 (Panoramic ASX Announcement 18 October 2019).



# Acquisition is aligned with IGO's strategy

**Expands IGO's exposure to key clean energy metals**



**IGO has a strategic focus on metals critical to clean energy – particularly nickel, copper and cobalt**

**Accelerating demand for clean energy (including electric vehicles) driven by climate concerns, falling costs, improving performance and supportive regulation<sup>1</sup>**

**Acquisition of Panoramic increases IGO's exposure to metals critical to clean energy**

1) Source: Roskill, Goldman Sachs: Back to reality, back to Hybrid –April 2019



# Leverages IGO's capabilities to maximise value from Savannah

Strong technical, financial and operating ability to enhance operational and exploration value

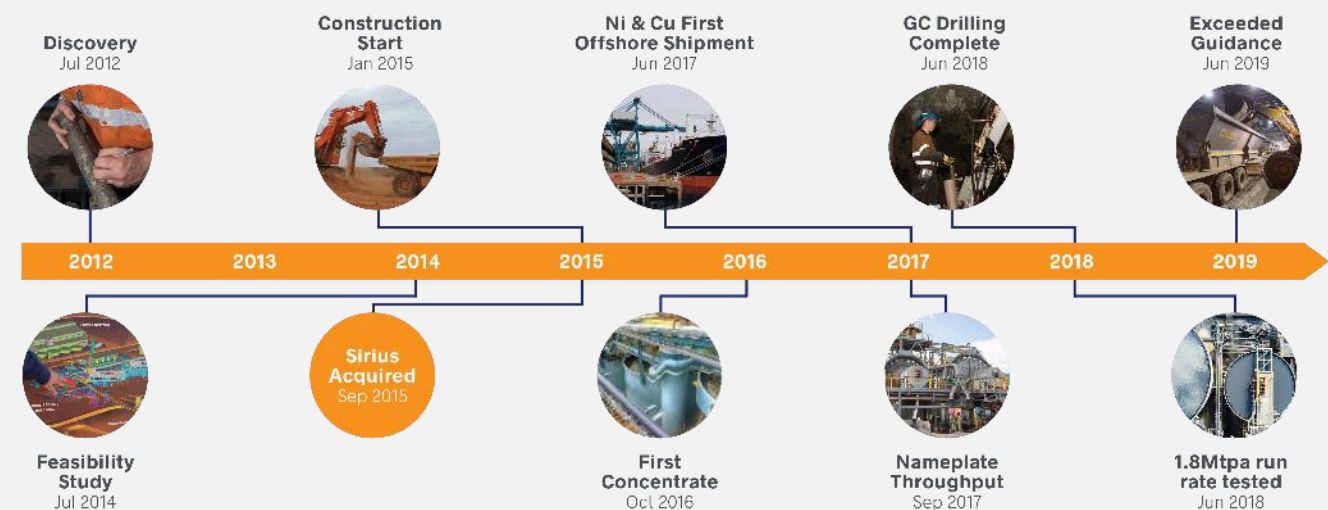


## IGO's Capabilities

- ✓ **Nickel Sulphide Experts**
  - International nickel sulphide experts ready to deploy
- ✓ **Balance Sheet**
  - Access to capital to unlock Savannah and regional exploration constraints
  - Consistent deployment of capital into exploration and growth
- ✓ **Australian Exploration**
  - IGO has an enduring commitment to exploration (A\$66M FY20 exploration budget)
  - ~90 technical staff dedicated to exploration
- ✓ **Underground Expertise**
  - Underground nickel pedigree with proven operational experience at Long and Nova
- ✓ **Project Development**
  - Proven developer of world class projects on time and on budget

## Nova Case Study

Successful transition from ramp up to steady state operation<sup>1</sup>



<sup>1</sup>) IGO Nova Site Visit Presentation, Page 7 (IGO ASX Announcement 2 August 2019).

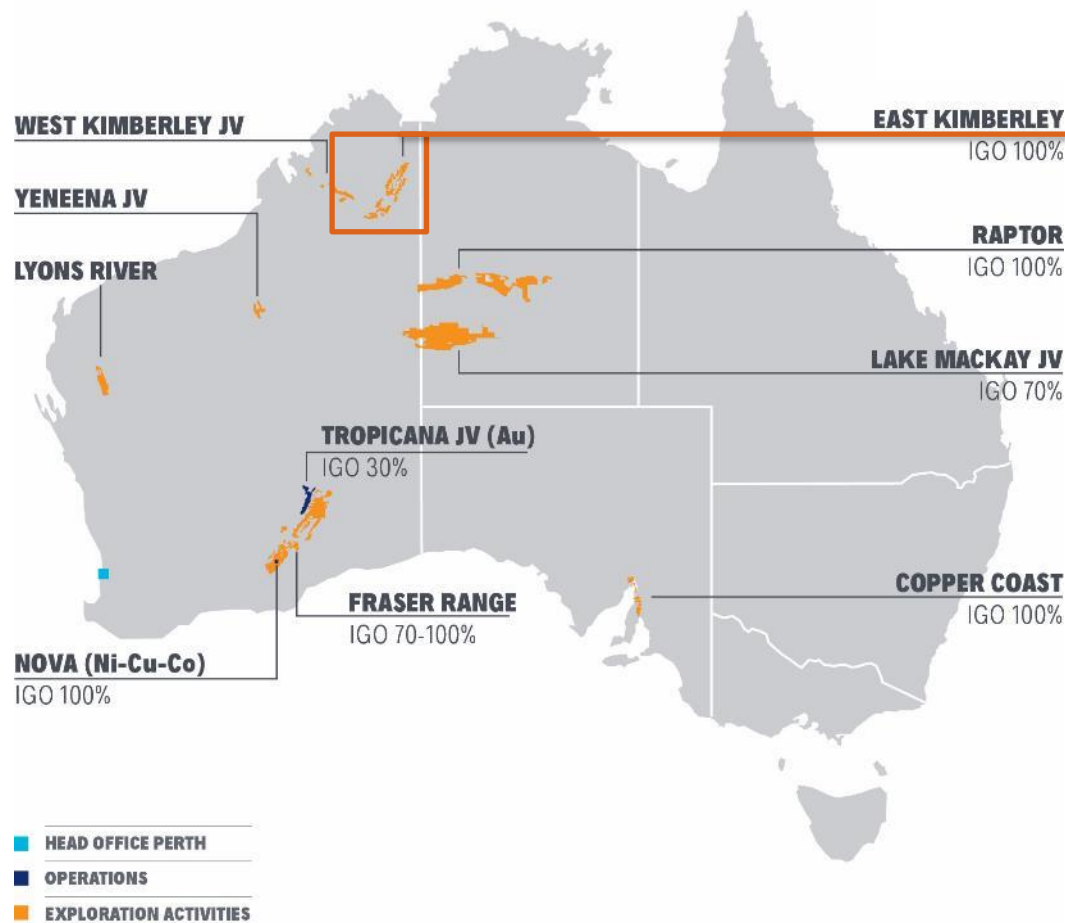


# Adds a second Australian exploration and production camp

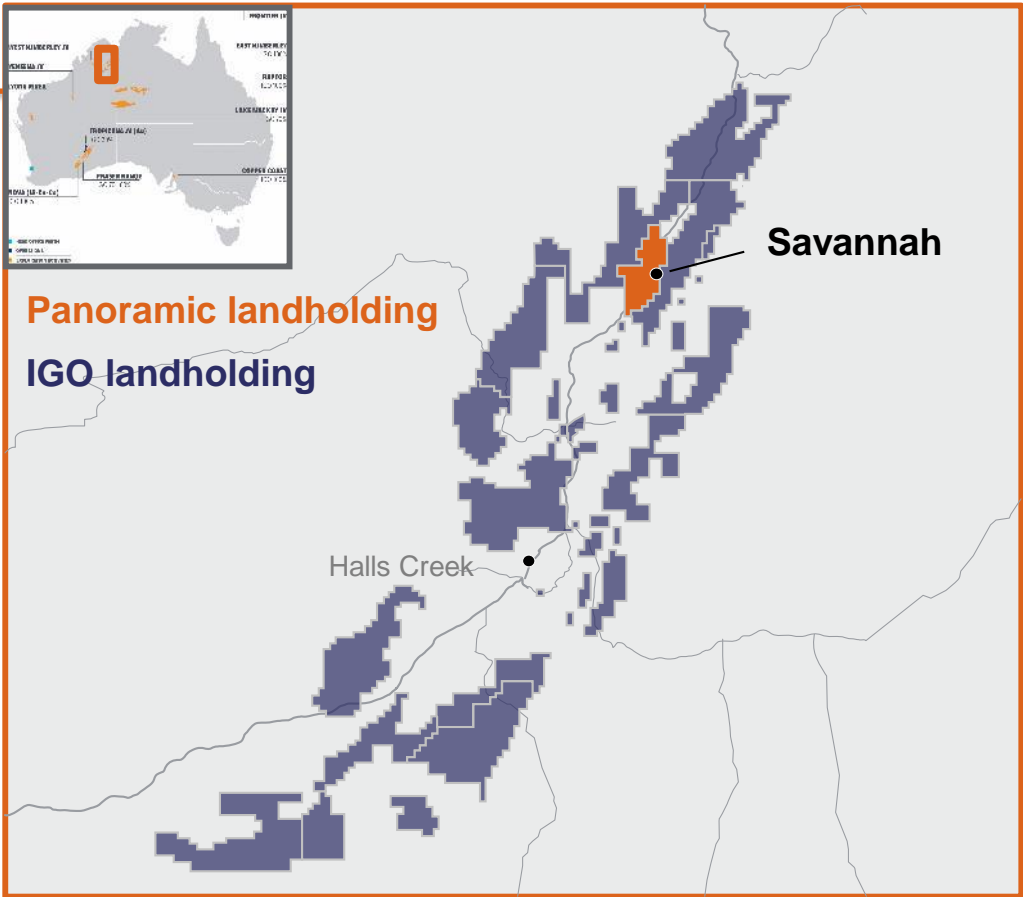
Diversifies IGO's portfolio, adding infrastructure and production capacity in the East Kimberley



## Combined Portfolio



## Consolidated and expanded East Kimberley position<sup>1</sup>



1) Source: Department of Mines information.

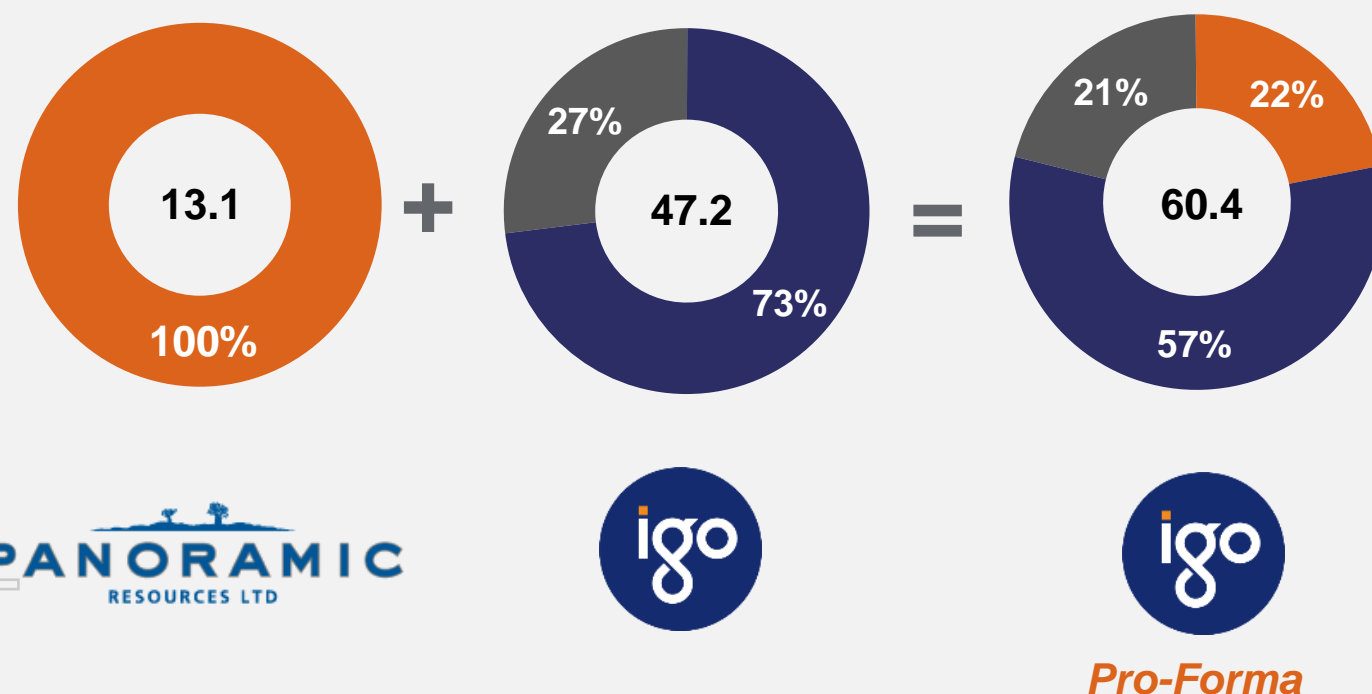


# Enhances production and earnings potential

Adds meaningful nickel production and preserves an attractive group cash cost margin<sup>1</sup>

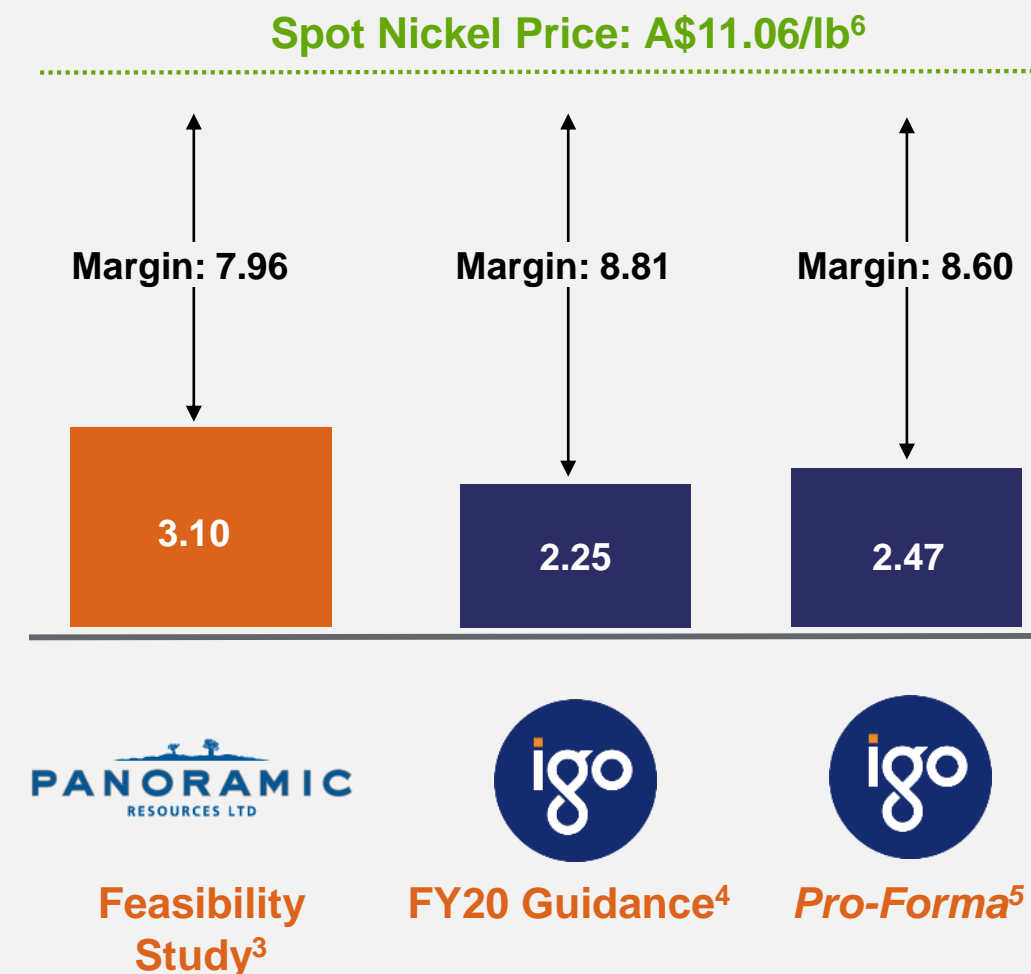


## FY20 Nickel Equivalent Production Guidance (kt)<sup>2</sup>



■ Savannah (Ni, Cu, Co)  
■ Nova (Ni, Cu, Co)  
■ Tropicana 30% (Au)

## Cash Cost and Cash Margin to Nickel Price (A\$/lb)



1) Based on the Savannah Updated Feasibility Study

2) Mid-point of FY20 Production Guidance per Savannah Operations Update & Further Amendments to Project Loan Facility (Panoramic ASX Announcement 3 September 2019) and IGO 2019 Annual Report converted to nickel equivalent tonnes (NiEq) using the following spot prices as at 1 November 2019: US\$16,835/t Ni (IRESS), US\$5,825/t Cu (IRESS), US\$35,500/t Co (FactSet) and US\$1,510/oz Au (IRESS)

3) Operating cash cost per Updated Savannah Feasibility Study (Panoramic ASX Announcement 27 October 2017). Defined as mining, processing, geology, OHS&E, general and administrative, and concentrate transport costs, plus royalties, less by-product credits, divided by payable nickel produced.

4) Mid point of FY20 Guidance for Nova cash costs per June 2019 Quarterly Activities Report, Page 14 (IGO ASX Announcement 31 July 2019).

5) Pro-forma cash cost is calculated as a weighted average of nickel production (as per FY20 nickel production guidance) and the respective cash costs as shown on this page.

6) Spot LME nickel price as at 1 November 2019 from IRESS. Converted from US\$/t to US\$/lb using a conversion factor of 2204.62 and converted to A\$/lb using the spot AUD/USD foreign exchange rate from IRESS of 0.69 at 1 November 2019.





## CONDITIONS & TIMETABLE



# Key Conditions

IGO's offer is subject to a number of conditions including due diligence



<b>Minimum acceptance</b>	IGO obtaining a relevant interest in at least of 50.1% of Panoramic shares (on a fully diluted basis);
<b>Production guidance</b>	FY20 forecast production guidance for Savannah not being revised downwards;
<b>Savannah Financing Agreement</b>	No breach, prepayment event or similar event under the Savannah Financing Agreement occurring;
<b>Due diligence</b>	<p>Various due diligence conditions, including that:</p> <ul style="list-style-type: none"><li>• a Technical Expert be appointed to confirm various financial and operational thresholds in relation to the Savannah Project; and</li><li>• Panoramic's Target's Statement confirm various statements in relation to the Savannah Project;</li></ul>
<b>Capital expenditure</b>	Panoramic not incurring, or committing to incur, significant capital expenditure (subject to certain exceptions); and
<b>Customary conditions</b>	Including no distributions, no regulatory action, no litigation, no acquisitions or disposals, no prescribed occurrences, no material adverse change, no exercise of rights, equal access to information and the IGO share price when valued for the purposes of the minimum bid price rule not falling below a specified level.



# Indicative Timetable<sup>1</sup>



Event	Indicative Date
Announcement of takeover bid	4 November
IGO lodges Bidder's Statement	4 November
Dispatch of Bidder's Statement to Panoramic Shareholders	Mid November
Offer Period Opens	Mid November

*The offer will be open for at least one month (minimum statutory period)*

1. Indicative only and subject to change.



The background of the slide is an aerial photograph of a wastewater treatment plant. It shows several large, circular aeration tanks. Some tanks have a dark, still surface, while others show white foam from aeration process. A complex network of metal walkways, railings, and pipes connects the different parts of the facility. The scene is illuminated by warm, yellowish lights, likely from the plant's own infrastructure.

# SUMMARY



# Offer Summary

IGO's offer creates a win-win for both Panoramic and IGO shareholders



**Acquisition aligned with strategy,  
increasing production of nickel –  
a critical clean energy metal**

**Leverage IGO's capabilities and expertise  
to maximise value from Savannah**

**Adds a second Australian exploration and  
production camp**

**Enhances IGO's nickel sulphide production  
profile**

**Compelling reasons for Panoramic shareholders to ACCEPT**





# MAKING A DIFFERENCE

We believe in a world where people power makes amazing things happen. Where technology opens up new horizons and clean energy makes the planet a better place for every generation to come.

We are bold, passionate, fearless and fun – a smarter, kinder, more innovative company. Our work is making fundamental changes to the way communities all over the world grow, prosper and stay sustainable.

Our teams are finding and producing the specialist metals that will make energy storage mobile, efficient and effective enough to make long-term improvements to the lifestyle of hundreds of millions of people across the globe.

How? New battery storage technology is finally unleashing the full potential of renewable energy by allowing power produced from sun, wind and other sources to be stored and used when and where it's needed.

This technology will impact future generations in ways we cannot yet imagine, improving people's quality of life and changing the way we live.

We believe in a green energy future and by delivering the metals needed for new age batteries, we are making it happen.

**This is the IGO Difference.**