

5 December 2019

PANORAMIC BOARD UNANIMOUSLY RECOMMENDS REJECTION OF IGO TAKEOVER OFFER

Highlights

- Panoramic Directors unanimously recommend that shareholders **REJECT** the unsolicited, highly conditional off-market takeover bid by IGO
- Target's Statement to provide detailed reasoning for this recommendation
- Independent Expert's Report from KPMG to be provided when available and the Panoramic Board will review its recommendation at that time
- To **REJECT** the IGO Takeover Offer, Panoramic shareholders should ignore all documents sent by IGO

Panoramic Resources Limited (ASX: PAN "Panoramic" or the "Company") provides the following update with respect to the unsolicited, highly conditional off-market takeover bid by IGO announced on 4 November 2019 and opened on 25 November 2019 ("**IGO Takeover Offer**").

REJECT the IGO Takeover Offer

Having carefully considered the terms and conditions of the IGO Takeover Offer and taking into account the results of the recently announced operational review at Savannah (see the Company's ASX Announcement of 4 December 2019, titled: "Savannah North Update and Operational Review Outcomes") and other information available to them at the current time, the Directors of Panoramic unanimously recommend that shareholders **REJECT** the IGO Takeover Offer.

The key reasons for the Board's unanimous recommendation are summarised below:

1. The IGO Takeover Offer is opportunistically timed, which could deprive Panoramic shareholders of future potential value:

- The IGO Takeover Offer takes advantage of recent strength in IGO's share price;
- The IGO Takeover Offer takes advantage of Panoramic's short term operational and financial underperformance, and resulting share price weakness;
- Accepting the IGO Takeover Offer could reduce your exposure to near-term improvements in operational performance, particularly with recent access to the Savannah North orebody; and
- Panoramic's management has recently been refreshed.

Directors

PETER SULLIVAN

Non-Executive Chairman

VICTOR RAJASOORIAN

Managing Director & CEO

NICHOLAS CERNOTTA

Lead Independent
Non-Executive Director

REBECCA HAYWARD

Non-Executive Director

GILLIAN SWABY

Non-Executive Director

TREVOR ETON

CFO / Company Secretary

2. Your exposure to Panoramic's assets and potential upside will be significantly diluted through accepting the IGO Takeover Offer

- Panoramic shareholders will hold less than 10% of the combined entity
- The IGO Takeover Offer materially dilutes your exposure to Panoramic's identified, and potential future growth in, Ore Reserves and Mineral Resources
- The IGO Takeover Offer materially dilutes your exposure to the potential additional strategic value of the Savannah mine
- The IGO Takeover Offer materially dilutes your exposure to Panoramic's other assets

3. Your Nickel exposure will be significantly diluted through accepting the IGO Takeover Offer

- Panoramic shareholders' exposure to Nickel would be significantly reduced in the combined entity
- The Panoramic Board believes the demand and supply outlook for Nickel should create a favourable future pricing environment for Savannah's Nickel sulphide product

4. The IGO Takeover Offer consideration is IGO shares, which based on several objective measures appear to be trading at an elevated valuation, presenting downside risk to the implied IGO Takeover Offer value

- Despite its share price falling 10% since announcement of the IGO Takeover Offer,¹ IGO still trades above its peers on several key metrics including Price / Net Asset Value (broker consensus), Enterprise Value / Reserve and Enterprise Value / Resource, highlighting potential downside risk to the implied value of the IGO Takeover Offer

5. If you accept the IGO Takeover Offer, you risk missing out if a superior offer from a third party emerges

- As announced on 22 November 2019, the Company has provided several parties with access to due diligence to allow them the opportunity to put forward alternate proposals to the IGO Takeover Offer

6. Panoramic's largest shareholder, Zeta Resources, which holds 35.17% of Panoramic has stated that it does not intend to accept the IGO Takeover Offer

- Zeta Resources announced on 12 November 2019 that it *"does not intend to accept Independence Group's current offer. Zeta Resources reserves the right to accept a superior proposal from Independence Group or any other bidder"*

7. The IGO Takeover Offer is highly conditional and there is no certainty it will proceed

- The IGO Takeover Offer contains a number of conditions including minimum 50.1% acceptances, appointment of a technical expert, no capital raisings and restrictions on capital expenditure
- Panoramic has already announced that it has breached several key conditions to the IGO Takeover Offer

Panoramic will respond more fulsomely to the IGO Takeover Offer in its Target's Statement, which will include further information regarding the above reasons. The Company recommends that Panoramic shareholders properly consider the Target's Statement and seek independent advice about the IGO Takeover Offer and its consequences.

As previously announced, Panoramic has commissioned KPMG to prepare an Independent Expert's Report in relation to the fairness and reasonableness of the IGO Takeover Offer to the unassociated shareholders of Panoramic. The Independent Expert's Report will be available prior to the close of the IGO Takeover Offer and the Panoramic Board will review its recommendation at that time.

To **REJECT** the IGO Takeover Offer, Panoramic shareholders should simply ignore all documents and correspondence sent by IGO in relation to the IGO Takeover Offer.

¹ As at close of trade on 4 December 2019

Information on the IGO Takeover Offer can be found on the Panoramic website and a shareholder information line has been established which shareholders are directed to contact with any inquiries. The Panoramic shareholder information line is open from 9:00am to 5:00pm AEDT and can be contacted on the following telephone numbers:

- 1300 362 398; or
- +61 2 8355 1004

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

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About the Company

Panoramic Resources Limited (**ASX code: PAN**) 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 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and produced 19,301t contained nickel in FY2015. The Lanfranchi and Savannah Projects were placed on care and maintenance in November 2015 and May 2016 respectively pending a sustained recovery in the nickel price.

After delivering an updated feasibility study on the Savannah Project in October 2017, securing an offtake customer and putting in place project financing in July 2018, the Company made the decision to restart operations at Savannah with first concentrate shipped from Wyndham on 13 February 2019. The Lanfranchi Project was sold in December 2018 for a total cash consideration of \$15.1 million, providing additional financial support for the re-commissioning of the Savannah Project.

Apart from the nickel, copper and cobalt inventory at Savannah, the Company has a diversified resource base including platinum group metals (PGM) and gold. The PGM Division consists of the Panton Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada, which is in the process of being sold to Benton Resources for C\$9 million. Following the ASX listing of Horizon Gold Limited (ASX Code: HRN) in December 2016, the Company's interest in gold is an indirect investment in the Gum Creek Gold Project located near Wiluna through its 51% shareholding in Horizon.