

12 November 2019

Update on unsolicited Takeover Offer from IGO

Panoramic shareholders are advised to TAKE NO ACTION in relation to the unsolicited takeover offer from IGO

Panoramic Resources Limited (ASX:PAN) (“**Panoramic**” or the “**Company**”) refers to the unsolicited, highly conditional scrip takeover offer for the Company announced by Independence Group NL (ASX:IGO) (“**IGO**”) on 4 November 2019 (“**Offer**”).

The Panoramic Board is currently undertaking a detailed review and evaluation of the Offer and reiterates that shareholders should **take no action** in respect of the Offer or any document received from IGO at this stage.

Update on conditions

The Board provides the following update in relation to the conditions to the Offer detailed in Section 12.8 of the Bidder’s Statement.

Some of the conditions purport to require Panoramic to provide due diligence access or information to IGO. Other conditions include a restriction on capital expenditure by Panoramic during the Offer period and a requirement to appoint a technical expert of IGO’s nomination, at Panoramic’s cost, to complete a report on the Savannah operation. Overall the conditions purport to dictate how the Panoramic Board responds to the Offer and restrict the ability of the Panoramic Board to take routine actions in the ordinary course of business of operating and developing a mine.

Panoramic advises that certain conditions have already been breached, as Panoramic has not appointed a technical expert to undertake the scope of work outlined in condition 12.8(l) within 5 business days of the Bidder’s Statement and Macquarie has provided a technical waiver in relation to the Savannah Financing Agreement project covenant versus group covenant position as at 30 September 2019.

Given the nature of the conditions, in addition to the above breaches, there are likely to be further breaches in the future. The Panoramic Board is fully cognisant of the conditions, but will continue to make operating decisions in the best interest of Panoramic shareholders.

It is open to IGO to rely on any breach of a condition to terminate the Offer, or to waive any breach. IGO may also reserve its position while it considers the same. However, it is in the interests of Panoramic shareholders that IGO make such decisions quickly and provide an update as soon as possible.

Directors

BRIAN PHILLIPS

Non-Executive Chairman

VICTOR RAJASOORAR

Managing Director & CEO

PETER SULLIVAN

Non-Executive Director

NICHOLAS CERNOTTA

Non-Executive Director

REBECCA HAYWARD

Non-Executive Director

GILLIAN SWABY

Non-Executive Director

TREVOR ETON

CFO / Company Secretary

The takeover offer process and next steps

The Panoramic Board has reviewed IGO Bidder's Statement and has written to IGO seeking certain clarifications and amendments.

The Board will keep shareholders informed of further developments and will provide a formal recommendation on the Offer in its Target's Statement, which will allow shareholders to make an informed decision. The Target's Statement will be released within 15 days of the Bidder's Statement being sent to Panoramic shareholders.

Shareholders are advised that there is **no need to take any action** in relation to the Offer or any document received from IGO until they receive the Target's Statement and the Panoramic Board's formal recommendation. Shareholders will have ample time after the release of the Target's Statement to determine their preferred course of action.

In the meantime, the Board is committed to continuing to act in the best interests of all Panoramic shareholders and will explore all options as it prepares its response to the Offer and its recommendation to shareholders.

Information on the 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.

Panoramic has appointed Azure Capital as financial adviser and Gilbert+Tobin and Mr Geoff Rogers as legal advisers in relation to the Offer.

The Company remains in a trading halt pending the announcement of an operational update.

For further information contact:

Victor Rajasooriar, Managing Director
+61 8 6266 8600

Media inquiries:

Michael Vaughan, Fivemark Partners
+61 422 602 720

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 Pantan 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.

At 30 September 2019, Panoramic had \$20.2 million in available and restricted cash (\$180k). The Company has a \$20 million project financing facility with Macquarie Bank which was restructured in September 2019 (previously a \$40 million facility).