



ABN 47 095 792 288

# **NOTICE OF GENERAL MEETING**

**INCLUDING**

**EXPLANATORY MEMORANDUM**

**(NOTE: A PROXY FORM IS INCLUDED WITH THIS NOTICE)**

**Date of Meeting**  
3 September 2010

**Time of Meeting**  
3pm (Perth time)

**Place of Meeting**  
Duxton 3 Meeting Room – Lower Lobby  
Duxton Hotel, 1 St George's Terrace  
PERTH WESTERN AUSTRALIA



ABN 47 095 792 288

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Shareholders of Panoramic Resources Limited ABN 47 095 792 288 ("Company") will be held in the Duxton 3 Meeting Room – Lower Lobby at the Duxton Hotel, 1 St George's Terrace, Perth, Western Australia on Friday, 3 September 2010 at 3pm (Perth time) for the purpose of transacting the following business.

### AGENDA

The accompanying Explanatory Memorandum contains information in relation to the following four Resolutions. The Explanatory Memorandum forms part of this Notice of General Meeting and should be read in conjunction with it.

#### ORDINARY BUSINESS

To consider and, if thought fit, pass the following four Resolutions as **ordinary resolutions**:-

**Resolution 1 Approval for the establishment and operation of the new 2010 Panoramic Resources Limited Employee Share Plan ("2010 ES Plan") including the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the new 2010 ES Plan, and the giving of termination benefits under the new 2010 ES Plan**

*"That approval is given:*

- a) *for the establishment and operation of a long term incentive plan, to be called the 2010 Panoramic Resources Limited Employee Share Plan ("2010 ES Plan"), for the provision of incentives to executives and Eligible Employees of the Company, for the purposes of Section 260C(4) of the Corporations Act and for all other purposes;*
- b) *to the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the new 2010 ES Plan as an exception to ASX Listing Rule 7.1 under Exception 9 of ASX Listing Rule 7.2 and for all other purposes; and*
- c) *for the giving of termination benefits under the 2010 ES Plan by the Company to a person or their associates in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate of the Company, for the purposes of Section 200B and 200E of the Corporations Act and for all other purposes,*

*each as described and on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

**Resolution 2 - Approval for the grant of the "P Harold Performance Rights" and the issue of Shares on the exercise of those Performance Rights to Peter Harold under the new 2010 Panoramic Resources Limited Employee Share Plan**

*"That approval is given for all purposes under the ASX Listing Rules (including Listing Rule 10.14) and for all other purposes for:*

- a) *the grant of 1,050,000 Performance Rights for no consideration to Peter Harold, or his nominee (the "P Harold Performance Rights"); and*
  - b) *the issue of Shares on the exercise of any of the P Harold Performance Rights,*
- on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

### Resolution 3 - Approval for the giving of benefits on termination of employment to Peter Harold

*"That approval is given for the purposes of Section 200B and 200E of the Corporations Act and for all other purposes for the Company to give to Peter Harold any of the termination benefits described in the Explanatory Memorandum accompanying this Notice of Meeting in connection with Peter Harold's retirement from a board or managerial or executive office in the Company, or a related body corporate."*

### Resolution 4 - Approval for the giving of benefits on termination of employment to other Key Management

*"That approval is given for the purposes of Section 200B and 200E of the Corporations Act and for all other purposes for the Company to give to each of Trevor Eton, Christopher Williams, Simon Jessop, Terry Strong and Robert Thorburn any of the termination benefits described in the Explanatory Memorandum accompanying this Notice of Meeting in connection with their respective retirement from a board or managerial or executive office in the Company, or a related body corporate."*

In accordance with the ASX Listing Rules and the *Corporations Act* 2001, the Company will disregard any votes cast on Resolutions 1, 2 and 3 by Peter Harold or any associate of Mr Harold. However the Company need not disregard a vote cast on Resolutions 1, 2 and 3 if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) if it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with the ASX Listing Rules and the *Corporations Act* 2001, the Company will disregard any votes cast on Resolutions 1 and 4 by Trevor Eton, Christopher Williams, Simon Jessop, Terry Strong and Robert Thorburn, or any of their respective associates. However the Company need not disregard a vote cast on Resolutions 1 and 4 if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) if it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with the ASX Listing Rules and the *Corporations Act* 2001, the Company will disregard any votes cast on Resolutions 1 and 2 by any Director of the Company or any of their associates. However the Company need not disregard a vote cast on Resolutions 1 and 2 if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) if it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

#### BY ORDER OF THE BOARD



Trevor R Eton  
Company Secretary  
Dated: 29 July 2010

#### EMPLOYEE SHARE PLANS

Shareholders may obtain a copy of the full terms of the 2007 Panoramic Resources Limited Employee Share Plan, which was approved by Shareholders on 20 November 2007 ("**2007 ES Plan**") or the 2010 Panoramic Resources Limited Employee Share Plan ("**2010 ES Plan**") by contacting Vera Waldby, Assistant Company Secretary, at the Company on +61 8 9225 0999.

## PROXIES

A separate Proxy Form is included with this Notice of Meeting which gives instructions for the completion and lodgement of the Proxy Form. The Proxy Form is to be returned direct to Computershare Investor Services in accordance with the lodgement instructions given on the Form and may be lodged either online via the Computershare InvestorVote facility, by mail (in the envelope provided), or by facsimile at the number quoted. Proxy Forms must be received by Computershare at least 48 hours prior to the Meeting, that is by 3.00pm (Perth time) on Wednesday, 1 September 2010.

A Shareholder entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote at this Meeting. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, then in accordance with Section 249X(3) of the Corporations Act, each proxy may exercise half the votes. A proxy may, but need not be, a Shareholder.

## BODIES CORPORATE

A body corporate may appoint an individual as its representative to attend and vote at the Meeting and exercise any other powers the body corporate can exercise at the Meeting. The appointment may be a standing one. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

## VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that, for the purposes of voting at the Meeting, Shareholders will be taken to be those persons recorded on the Company's register of Shareholders as at 5.00pm (Perth time) on Wednesday, 1 September 2010.



ABN 47 095 792 288

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for Shareholders to provide information about the items of business contained in the accompanying Notice of General Meeting of the Company.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The Resolutions to be voted on are ordinary resolutions which require approval by a simple majority of votes cast by Shareholders entitled to vote on the Resolutions, in order to be passed.

### BUSINESS OF THE MEETING

**Resolution 1 Approval for the establishment and operation of the new 2010 Panoramic Resources Limited Employee Share Plan ("2010 ES Plan") including the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the new 2010 ES Plan, and the giving of termination benefits under the new 2010 ES Plan**

#### Shareholder approval

Shareholder approval of the new 2010 Panoramic Resources Limited Employee Share Plan ("2010 ES Plan") is sought for all purposes under the Corporations Act and the ASX Listing Rules, including for the following purposes set out below.

#### 2010 Panoramic Resources Limited Employee Share Plan

The Company has in place an existing employee share plan called the 2007 Panoramic Resources Limited Employee Share Plan, which was approved by Shareholders on 20 November 2007 ("2007 ES Plan"). An exception to ASX Listing Rule 7.1 is available where the issue of securities under an employee incentive scheme has been approved by shareholders within the previous three years (see Exception 9(b) in ASX Listing Rule 7.2). Shareholder approval to the 2007 ES Plan expires in November 2010.

Accordingly, the Company seeks Shareholder approval for the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the new 2010 ES Plan, which approval will apply for the next 3 years following the date of Shareholder approval under this Resolution 1. The 2010 ES Plan is materially identical to the 2007 ES Plan, save for some minor definitional amendments. A summary of the proposed 2010 ES Plan is set out in Schedule 1 of this Explanatory Memorandum.

#### Exception to ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits an entity from issuing equity securities exceeding 15 per cent of the number of ordinary shares in the entity on issue over any 12 month period, without the approval of shareholders or unless an exception applies. ASX Listing Rule 7.2 (Exception 9(b)) provides that the issue of equity securities need not be included in the 15 per cent limit where the issue is made under an employee incentive scheme and the issue of securities under the employee incentive scheme has been approved by shareholders within the previous three years.

Accordingly, the Company seeks Shareholder approval for the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the new 2010 ES Plan for the purposes of obtaining the benefit of the exception.

In the event that Shareholder approval is granted under this Resolution 1, the issue of the Company's Shares on the exercise of Performance Rights under the 2010 ES Plan will be excluded from the 15 per cent calculation in ASX Listing Rule 7.1, on the basis that the Company complied with the ASX Listing Rules at the time the Performance Rights were granted.

In accordance with ASX Listing Rule 7.2 (Exception 9(b)), the following information is provided to Shareholders:

- (a) Other than as set out in this Notice of Meeting and Explanatory Memorandum, no Performance Rights or securities have been granted or issued under the 2010 ES Plan.
- (b) The 2010 ES Plan is materially identical to the 2007 ES Plan, save for some minor definitional amendments. A summary of the proposed 2010 ES Plan is set out in Schedule 1 of this Explanatory Memorandum.
- (c) The restriction on voting under ASX Listing Rule 14.11 set out below.

### **Financial assistance**

Although not currently intended, the Company may provide financial assistance to Participants in the 2010 ES Plan or to the Trustee to acquire Shares in the Company. Under Section 260C(4) of the Corporations Act, the Company may provide such financial assistance under an employee share scheme approved by the Company in general meeting. The Company therefore also seeks approval of the 2010 ES Plan to ensure it may provide financial assistance to Participants or the Trustee under the 2010 ES Plan.

### **Termination benefits**

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Company or a related body corporate if it is approved by shareholders or an exemption applies.

The Section applies to managerial or executive officers of the Company or of any of its subsidiaries, which includes directors and all persons whose remuneration is required to be disclosed in the Company's remuneration report. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

The term "benefit" has a wide operation and includes the early vesting of the Performance Rights under the rules of the 2010 ES Plan (as summarised in Schedule 1 of this Explanatory Memorandum).

Resolution 1 applies to the Performance Rights proposed to be granted under the 2010 ES Plan to Participants who, from time to time, hold a managerial or executive office in the Company as defined in the Corporations Act.

Approval is sought under Section 200B of the Corporations Act to any "termination benefit" that may be provided to a Participant under the terms of the 2010 ES Plan, in addition to any other termination benefits that may be provided to such Participants.

The termination benefit that may be given under the 2010 ES Plan is the early vesting of Performance Rights upon termination of the holder's employment or office with the Company due to redundancy, retirement (in some circumstances), permanent incapacity or death, or in other circumstances determined by the Board.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by the Participant prior to cessation of employment or office;
- the number of Performance Rights that vest; and
- the 30 day volume weighted average price of Shares on ASX on the last ASX trading day before the date of calculation.

### **Restriction on voting**

Under ASX Listing Rule 14.11, a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) is excluded from voting on this Resolution 1. Accordingly, the Company will disregard any votes cast on this Resolution 1 by any Director or any associate of any Director. However, the Company need not disregard a vote cast on this Resolution 1 if it is cast by a person as proxy for a person who is

entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Section 200E(2A) of the Corporations Act prevents a retiring managerial or executive officer or any associate of the retiree from voting on a resolution to approve the giving of the benefit. Accordingly, the Company will disregard any votes cast on Resolution 1 by Shareholders who are also managerial or executive officers of the Group and are proposed participants in the 2010 ES Plan (and their associates). However, the Company need not disregard a vote cast on this Resolution 1 if it is cast by a person as proxy appointed by writing where it is specified how the proxy is to vote on the resolution, and the person appointing the proxy is not a retiree subject to this restriction.

**Resolution 2 - Approval for the grant of the "P Harold Performance Rights" and the issue of Shares on the exercise of those Performance Rights to Peter Harold under the new 2010 Panoramic Resources Limited Employee Share Plan**

## Background

The Board recognises that stability of leadership is imperative if the growth opportunities of the Company are to be fully maximised. With this in mind, in January 2010, the Board and the Company's Managing Director, Peter Harold, together agreed and entered into a new employment contract ("**Contract**") commencing on 1 January 2010. The term of the Contract is for a minimum of 12 months, and thereafter, is able to be terminated on 6 months notice from Mr Harold, and 12 months notice from the Company. Termination is immediate (with no payment in lieu of notice) under certain events. The key features of the Contract are:

- the provision of a market competitive base salary;
- an annual short term incentive cash bonus up to a maximum of 100% of Mr Harold's base salary measured against the achievement of agreed financial and non-financial performance indicators as set by the Board, as summarised in Schedule 3 of this Explanatory Memorandum; and
- the provision of an "at risk" long term incentive component in the form of Performance Rights to be granted under the 2010 ES Plan, as summarised in Schedules 1 and 2 of this Explanatory Memorandum.

At the time of signing the Contract, the long term "at risk" incentive component of Mr Harold's remuneration was still to be agreed. The Board and Mr Harold have now agreed, subject to Shareholder approval, that the appropriate long term "at risk" incentive component is to grant 1,050,000 Performance Rights to Mr Harold under the 2010 ES Plan, on the terms and conditions detailed in Schedules 1 and 2 of this Explanatory Memorandum ("**P Harold Performance Rights**").

Consistent with the Company's reward strategy to align business and individual performance, the Board has also resolved to grant in aggregate, 5,925,000 Performance Rights under the 2010 ES Plan, at zero cost, to 33 executives and senior employees of the Company (excluding all non-executive Directors) as part of their overall remuneration package (which includes, subject to Shareholder approval, the P Harold Performance Rights). The Board presently does not intend to issue any Performance Rights to non-executive directors under the 2010 ES Plan.

The proposed Performance Rights are subject to various Performance Conditions such that Shares in the Company will only be issued to executives and senior employees, including Mr Harold, after certain time based and performance criteria and other conditions are met, as detailed in Schedules 1 and 2 of this Explanatory Memorandum.

The grant of the P Harold Performance Rights to Mr Harold will assist in achieving the Board's objective of retaining Mr Harold for the foreseeable future, as well as provide an appropriate link between Mr Harold's remuneration and Shareholders' goals of increased return on investment.

## Chapter 2E of the Corporations Act

The Board, other than Mr Harold, considers that the grant of the P Harold Performance Rights, and any issue of Shares upon the exercise of those Performance Rights, to Mr Harold constitutes part of his reasonable remuneration. As such, the proposed grant and issue does not require Shareholder approval for the purposes of Chapter 2E of the Corporations Act, which regulates financial benefits to related parties of the Company. The Board has sought and received advice from an external remuneration advisor which supports the Board's view.

## Grant of Performance Rights under the Plan

Under the ASX Listing Rules, the Company must obtain Shareholder approval in order to grant the P Harold Performance Rights, and issue Shares on exercise of the P Harold Performance Rights to Mr Harold (or his nominee).

It is proposed that Mr Harold will be granted the P Harold Performance Rights by way of two tranches of 525,000 each. The maximum number of Shares that would be issued to Mr Harold if all of the P Harold Performance Rights were exercised is 1,050,000 Shares. However, Mr Harold's entitlement to exercise any or all of the P Harold Performance Rights will be subject to the 2010 ES Plan Rules (as detailed in Schedule 1 of this Explanatory Memorandum) and the terms and conditions set out in his Invitation Letter (a summary of those terms are set out in Schedule 2 of this Explanatory Memorandum) and, in broad terms, is dependent (amongst other things) upon the performance of the Company relative to a group of selected peers ("**Peer Group**") over two separate Performance Periods. The Peer Group comprises those companies that are constituents of the S&P / ASX 300 Mining & Metals Index at the commencement of each relevant Performance Period. The Peer Group is to be ranked in terms of total shareholder return ("**TSR**"), which is the percentage increase in the share price plus reinvested dividends over the relevant Performance Period adjusted for bonus issues, subdivisions and consolidations of capital. The share prices to be used for the TSR calculation are the volume weighted average of the share price over the 30 day period immediately preceding the start and end date of the relevant Performance Period.

## Additional information for ASX Listing Rules purposes

Additional information required by the ASX Listing Rules in relation to Resolution 2 is provided below:

- (a) the maximum number of Performance Rights to be granted, and the maximum number of Shares which can be issued on exercise of such Performance Rights, to Mr Harold is 1,050,000;
- (b) Mr Harold will not be required to pay any amount on the grant or exercise of the P Harold Performance Rights;
- (c) no persons referred to in Listing Rule 10.14 have been granted any Performance Rights or issued any securities upon the exercise of such Performance Rights under the 2010 ES Plan;
- (d) the following persons referred to in Listing Rule 10.14 are entitled to participate in the 2010 ES Plan - Mr Harold and/or his permitted associates;
- (e) no loan will be provided to Mr Harold for him to acquire the P Harold Performance Rights under the 2010 ES Plan or to acquire any Shares on exercise of the P Harold Performance Rights;
- (f) any securities issued to Mr Harold under the 2010 ES Plan will be published in each annual report of the Company relating to the period in which the securities have been issued, and the annual report will confirm that approval for the issue of those securities was obtained under Listing Rule 10.14;
- (g) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the 2010 ES Plan after the resolution to approve the 2010 ES Plan is approved by Shareholders (see Resolution 1 in this Notice of General Meeting), who were not named in this Notice of General Meeting, will not participate in the 2010 ES Plan until approval is obtained under Listing Rule 10.14; and
- (h) the Company intends to grant the P Harold Performance Rights to Mr Harold within 3 months of the date of Shareholder approval.

## Restriction on voting

Under ASX Listing Rule 14.11, a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) is excluded from voting on this Resolution 2. Accordingly, the Company will disregard any votes cast on this Resolution 2 by any Director of the Company or any of their associates. However, the Company need not disregard a vote cast on this Resolution 2 if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.



### Shareholder approval for termination benefits

Under Section 200B of the Corporations Act, Shareholder approval is required before the Company may give a person a benefit in connection with that person's retirement from a board or managerial office, unless the benefit falls within certain exceptions set out in the Corporations Act.

The Section applies to managerial or executive officers of the Company or any of its subsidiaries, who are all persons whose remuneration is required to be disclosed in the Company's remuneration report. The persons subject to the restrictions remain subject to them for at least 3 years after they cease to be a managerial or executive officer or are required to have their remuneration disclosed.

The term "benefit" has a wide operation and includes (amongst other things) the early vesting of the Performance Rights granted under the 2007 ES Plan or the 2010 ES Plan.

Resolution 3 has therefore been proposed to seek Shareholder approval under Section 200B of the Corporations Act to the termination benefits described below.

For the purposes of Section 200E of the Corporations Act, the following information is provided to allow Shareholders to assess the proposed termination benefits. Whilst the value of the proposed termination benefits cannot currently be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value, are as follows.

### Termination benefits

The maximum termination benefits payable without shareholder approval is one year's base salary. On termination of the Contract by the Company, Mr Harold may be entitled to receive:

- 12 months' remuneration in lieu of notice;
- a pro-rata payout of his short term incentive bonus ("STIB");
- an accelerated vesting of the 2007 Performance Rights granted under the 2007 ES Plan (as approved by Shareholders on 20 November 2007); and
- an accelerated vesting of the P Harold Performance Rights to be granted under the 2010 ES Plan (to be approved by Shareholders - see Resolution 2 of this Notice of General Meeting).

Depending on the amount of notice give, the amount of the STIB and the number of Performance Rights which may vest upon termination of Mr Harold's Contract, the termination benefits payable by the Company to Mr Harold may exceed one year's base salary and, as such, require Shareholder approval under Section 200B of the Corporations Act.

### Manner in which STIB is calculated

The STIB is calculated annually at the end of the relevant financial year ("Relevant Financial Year"). The entitlement to the STIB accrues quarterly (in arrears) over the course of the Relevant Financial Year, such that Mr Harold earns 25% of the STIB benefit applicable to the Relevant Financial Year at the end of each quarter.

The STIB comprises two parts - the first is based on the Company's financial performance; the second is discretionary and based on the extent to which the Company, Mr Harold and all employees have acted and performed in a manner consistent with the Company's Core Values during the Relevant Financial Year. The terms of the STIB are summarised in Schedule 3 of this Explanatory Memorandum.

If Mr Harold's employment is terminated (other than because he is guilty of misconduct, fails to comply with a reasonable direction from the Board, suffers serious mental health problems or becomes insolvent) then he is entitled to be paid the accrued portion of the STIB at the time notice of the termination is given, as detailed in Schedule 3 of this Explanatory Memorandum. Whilst the value of such benefits cannot presently be ascertained, the matters, events and circumstances that will, or are likely to, affect the calculation of that value are set out in detail in Schedule 3 of this Explanatory Memorandum and include:

- the financial performance of the Company during the Relevant Financial Year; and
- the extent to which (in the Board's discretion) the Company, Mr Harold and all employees have acted and performed in a manner consistent with the Company's Core Values during the Relevant Financial Year.

#### **Manner in which accelerated vesting of 2007 Performance Rights is determined**

As approved by Shareholders on 20 November 2007 and disclosed in the Company's annual reports, on 1 January 2008, 1,484,800 Performance Rights were granted to various employees of the Company under the 2007 ES Plan, including 500,000 Performance Rights to Mr Harold ("2007 Performance Rights").

Any 2007 Performance Rights which are unvested will lapse upon the termination of Mr Harold's employment contract with the Company. However, the Board has a wide discretion to decide the manner in which any unvested performance rights will be dealt with, including (but not limited to) allowing Mr Harold to exercise all or a proportion of the 2007 Performance Rights within such time as determined by the Board, after which the 2007 Performance Rights will lapse.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by Mr Harold prior to cessation of his employment;
- the number of Performance Rights that vest; and
- the market price of Shares on ASX on the last ASX trading day before the date of calculation.

#### **Manner in which accelerated vesting of the P Harold Performance Rights is determined**

The Contract provides for Mr Harold to participate in the 2010 ES Plan. As detailed in Schedules 1 and 2 of this Explanatory Memorandum, and subject to Shareholder approval to Resolution 1 set out in this Notice of General Meeting, the Board proposes to grant 1,050,000 Performance Rights to Mr Harold under the 2010 ES Plan.

The terms and conditions relating to those Performance Rights are set out in detail in Schedules 1 and 2 of this Explanatory Memorandum. In particular, upon termination of Mr Harold's employment or upon a Change of Control Event, and subject to the Company satisfying the pre-determined Performance Conditions, Mr Harold may be entitled to a pro-rata portion of the P Harold Performance Rights vesting at a date earlier than the Vesting Dates, as detailed in subparagraphs (h) to (l) of Schedule 2 of this Explanatory Memorandum.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by Mr Harold prior to cessation of his employment;
- the number of Performance Rights that vest; and
- the 30 day volume weighted average price of Shares on ASX on the last ASX trading day before the date of calculation.

#### **Restriction on voting**

Section 200E(2A) of the Corporations Act prevents a retiring managerial or executive officer or any associate of the retiree from voting on a resolution to approve the giving of the benefit. Accordingly, the Company will disregard any votes cast on this Resolution 3 by Mr Harold or any associate of Mr Harold. However, the Company need not disregard a vote cast on this Resolution 3 if it is cast by a person as proxy appointed by writing where it is specified how the proxy is to vote on the resolution, and the person appointing the proxy is not a retiree subject to this restriction .

#### **Recommendation**

The Board, excluding Mr Harold, unanimously recommends that Shareholders vote in favour of Resolution 3.

## Resolution 4 - Approval for the giving of benefits on termination of employment to other Key Management

### Shareholder approval of termination benefit

Under Section 200B of the Corporations Act, Shareholder approval is required before the Company may give a person a benefit in connection with that person's retirement from a board or managerial office, unless the benefit falls within certain exceptions set out in the Corporations Act.

The Section applies to managerial or executive officers of the Company or any of its subsidiaries who are all persons whose remuneration is required to be disclosed in the Company's remuneration report ("Key Managers"). The persons subject to the restrictions remain subject to them for at least 3 years after they cease to be a managerial or executive officer or are required to have their remuneration disclosed.

The term "benefit" has a wide operation and includes (amongst other things) the early vesting of any Performance Rights granted to Key Managers under the 2010 ES Plan, and in the case of Robert Thorburn, under the 2007 ES Plan.

Resolution 4 has been proposed to seek Shareholder approval under Section 200B of the Corporations Act to the termination benefits described below.

At the date of the General Meeting, the Key Managers are:

- Trevor Eton;
- Christopher Williams;
- Simon Jessop;
- Terry Strong; and
- Robert Thorburn.

For the purposes of Section 200E of the Corporations Act, the following information is provided to allow Shareholders to assess the proposed termination benefits. Whilst the value of the proposed termination benefits cannot currently be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value, are as follows.

### Termination benefits

The maximum termination benefits payable without shareholder approval is one year's base salary. On termination of their respective employment contracts with the Company, each of the Key Managers may be entitled to receive:

- 6 months' remuneration in lieu of notice;
- an accelerated vesting of the Performance Rights granted under the 2010 ES Plan - see details in subparagraphs (h) to (l) of Schedule 2;
- in the case of Robert Thorburn, an accelerated vesting of 10,000 Performance Rights granted to him under the 2007 ES Plan.

Depending on the number of Performance Rights which may vest upon termination of the relevant Key Manager's employment contract, the termination benefits payable by the Company to a Key Manager may exceed one year's base salary under the Key Manager's employment contract, and to the extent that they do, require Shareholder approval under Section 200B of the Corporations Act.

### Manner in which accelerated vesting of Performance Rights granted under the 2010 ES Plan is determined

The terms and conditions relating to the Performance Rights intended to be granted to the Key Managers are set out in detail in Schedules 1 and 2 of this Explanatory Memorandum. In particular, upon termination of a Key Manager's employment or upon a Change of Control Event, and subject to the Company satisfying the pre-determined Performance Conditions, a Key Manager may be entitled to a pro-rata portion of Performance Rights vesting at a date earlier than the Vesting Dates, as detailed in subparagraphs (h) to (l) of Schedule 2 of this Explanatory Memorandum.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by the Key Manager prior to cessation of their employment;
- the number of Performance Rights that vest; and
- the 30 day volume weighted average price of Shares on ASX on the last ASX trading day before the date of calculation.

#### **Manner in which accelerated vesting of Mr Thorburn's Performance Rights granted under the 2007 ES Plan is determined**

Other than in respect of Mr Thorburn, none of the Key Management have been granted nor are they entitled to be granted any Performance Rights under the 2007 ES Plan.

Any Performance Rights granted under the 2007 ES Plan which are unvested will lapse upon the termination of Mr Thorburn's employment contract with the Company. However, the Board has a wide discretion to decide the manner in which any unvested performance rights will be dealt with, including (but not limited to) allowing Mr Thorburn to exercise all or a proportion of the Performance Rights within such time as determined by the Board, after which the Performance Rights will lapse.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by Mr Thorburn prior to cessation of his employment;
- the number of Performance Rights that vest; and
- the market price of Shares on ASX on the last ASX trading day before the date of calculation.

#### **Restriction on voting**

Section 200E(2A) of the Corporations Act prevents a retiring managerial or executive officer or any associate of the retiree from voting on a resolution to approve the giving of a benefit. Accordingly, the Company will disregard any votes cast on this Resolution 4 by Shareholders who are also managerial or executive officers of the Group and are proposed participants in the 2010 ES Plan (and their associates). However, the Company need not disregard a vote cast on this Resolution 4 if it is cast by a person as proxy appointed by writing where it is specified how the proxy is to vote on the resolution, and the person appointing the proxy is not a retiree subject to this restriction.

#### **Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

#### **Enquiries**

Shareholders are invited to contact Mr Trevor Eton, Company Secretary, on +61 8 9225 0999 if they have any queries in respect of the matters set out in this document.

## GLOSSARY

**"Application"** means the form provided to an Eligible Employee in order to accept an Invitation to apply for a grant of Performance Rights;

**"ASX"** means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange;

**"ASX Listing Rules"** means the official listing rules of ASX as amended from time to time;

**"Board"** means the board of Directors;

**"Change of Control Event"** occurs on the date when (a) a takeover bid for all or a proportion of all of the voting shares in the Company becomes unconditional and at that time a person has acquired voting power (as that term is defined in the Corporations Act) in the Company of more than 50%; (b) a person acquires voting power in the Company of more than 50% pursuant to a takeover bid for all or a proportion of all of the voting shares in Panoramic which takeover bid is at that time unconditional; (c) a scheme of arrangement or other merger proposal in relation to the Company becomes unconditional and binding on the holders of all of the voting shares in the Company and by reason of such scheme or proposal a person acquires voting power in the Company of more than 50%; (d) a person becomes beneficial owner of more than 50% of the voting shares in the Company other than under (a), (b) or (c); or (e) in the opinion of the Board, a person (or a group of associated persons), hold sufficient voting power in the Company to give that person (or a group of associated persons) the ability in general meeting to replace all or a majority of the Directors;

**"Constitution"** means the Company's constitution;

**"Company"** or **"Panoramic"** means Panoramic Resources Limited (ABN 47 095 792 288);

**"Contract"** means the contract of employment commencing on 1 January 2010 between Peter Harold and the Company;

**"Corporations Act"** means *Corporations Act 2001* (Cth);

**"Director"** means each director of the Company;

**"Employee"** means any permanent full-time or part-time employee of the Group;

**"Eligible Employees"** means a Permitted Nominee and any Employee or Director (subject to Shareholder approval) who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Performance Rights under the 2007 ES Plan or the 2010 ES Plan (as relevant);

**"Expiry Date"** means 5 years from the Grant Date or such other period as determined by the Board in its sole and absolute discretion and as specified in the Invitation, after which the Performance Rights lapse and may no longer vest;

**"Explanatory Memorandum"** means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice;

**"Grant Date"** means the date on which Performance Rights are granted to a Participant following the acceptance of an Application;

**"Group"** means the Company and each of its Related Bodies Corporate;

**"Holder"** means the registered holder of a Performance Right granted under the 2007 ES Plan or the 2010 ES Plan (as relevant);

**"Invite"** means to invite an Eligible Employee to apply for the grant of Performance Rights under the Rules and **"Invitation"** has a corresponding meaning;

**"Invitation Letter"** means a letter to an Eligible Employee from the Company, which contains the Invitation and sets out all relevant terms and conditions in respect of the Invitation;

**"Meeting"** or **"General Meeting"** means the General Meeting of the Company which is the subject of the Notice;

**"Notice"** means the Notice of General Meeting which accompanies this Explanatory Memorandum;

**"Participant"** means a person who has been granted Performance Rights pursuant to the Rules;

**"Peer Group"** means those companies that are constituents of the S&P / ASX 300 Metals & Mining Index at the commencement of the relevant Performance Period;

**"Performance Conditions"** means any ongoing minimum performance requirements (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met during a defined performance period prior to Performance Rights vesting in a Participant;

**"Performance Period"** means the two separate performance periods of 24 months and 30 months respectively within which the Performance Conditions are tested, as set out in Schedule 2 of this Explanatory Memorandum;

**"Performance Right"** means the entitlement of a Participant to be issued a Share subject to the satisfaction of certain Performance Conditions and the corresponding obligation of the Company to issue the Share, pursuant to a binding contract made by the Company and an Eligible Employee in the manner set out in the Rules;

**"Permitted Nominee"** means a person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Performance Rights and be issued Shares under the Plan in accordance with the Rules in the place of an Employee or Director to whom the Permitted Nominee is sufficiently associated;

**"P Harold Performance Rights"** means the grant of 1,050,000 Performance Rights for no consideration to Mr Peter Harold, or his nominee, for which Shareholder approval is sought at this General Meeting;

**"Related Body Corporate"** has the meaning given to that term in the Corporations Act;

**"Remuneration Committee"** means the remuneration committee of the Company appointed by the Board;

**"Resolution"** means a resolution to be put to Shareholders at the Meeting, as set out in the Notice;

**"Rules"** means the rules in respect of the operation of the 2010 ES Plan (which are materially identical to the rules in respect of the operation of the 2007 ES Plan), a summary of which is set out in Schedule 1 of this Explanatory Memorandum;

**"S&P"** means Standard and Poor's rating agency, a division of The McGraw-Hill Companies, Inc;

**"Share"** means a fully paid ordinary share issued in the capital of the Company;

**"Shareholder"** means a shareholder of the Company;

**"Trust"** means the Panoramic Resources Employee Share Trust;

**"Trust Deed"** means the trust deed executed by the Company and the Trustee on 23 March 2009;

**"Trustee"** means CPU Share Plans Pty Ltd, who has agreed to act as trustee of the Trust on the terms and conditions set out in the Trust Deed;

**"TSR"** means total shareholder return;

**"2007 ES Plan"** means the 2007 Panoramic Resources Limited Employee Share Plan established in accordance with the Rules and approved by Shareholders on 20 November 2007;

**"2007 Performance Rights"** means the 500,000 Performance Rights granted to Mr Harold on 1 January 2008 under the 2007 ES Plan, as approved by Shareholders on 20 November 2007; and

**"2010 ES Plan"** means the 2010 Panoramic Resources Limited Employee Share Plan established in accordance with the Rules.

## SCHEDULE 1

### SUMMARY OF THE RULES OF THE 2010 PANORAMIC RESOURCES LIMITED EMPLOYEE SHARE PLAN ("2010 ES Plan")

#### **Background**

The 2007 ES Plan was approved by Shareholders at the 2007 Annual General Meeting on 20 November 2007. The Board has resolved to adopt a new plan to be called the 2010 Panoramic Resources Employee Share Plan which is materially identical to the 2007 ES Plan save for some minor definitional amendments. Set out below is a summary of the terms of the new 2010 ES Plan.

#### **Administration**

The Directors administer the 2010 ES Plan as a Board or through the Remuneration Committee and in conjunction with the Trustee who was appointed to administer the Trust. From time to time, Eligible Employees (including the Managing Director, subject to any necessary approvals) may be Invited by the Board (in its absolute discretion) to apply for Performance Rights to acquire Shares in the Company.

#### **Eligibility**

Performance Rights may only be offered under the 2010 ES Plan to Eligible Employees or their Permitted Nominees. The Board has a broad discretion as to the terms and conditions upon which Performance Rights are offered to Eligible Employees, which are to be set out in the Invitation Letter. Eligible Employees may include executive and non-executive Directors. It is not intended that any Director, other than Mr Harold, be invited to participate in the 2010 ES Plan. If any other Director were to be invited to participate in the 2010 ES Plan, it would be necessary to obtain Shareholder approval before any Performance Rights could be granted.

#### **Participation**

Eligible Employees are Invited by the Board to apply for Performance Rights by completing and returning an Application to the Board for the whole or any lesser number of Performance Rights offered. Upon receipt of the Application and, if applicable, the Board resolving to allow the participation of a Permitted Nominee, then the Eligible Employee or the Permitted Nominee (as the case may be) will be taken to have agreed to be bound by the Rules of the Plan and will be granted Performance Rights and become a Holder.

#### **Number of Performance Rights and Share Limit**

The Board may from time to time in its absolute discretion grant such number of Performance Rights as it determines, provided that the number of Shares to be received on exercise of those Performance Rights when aggregated with:

- (a) the number of Shares which would be issued if each outstanding offer of Performance Rights or options granted under the 2010 ES Plan or any other Company employee incentive scheme (including the 2007 ES Plan), were exercised; and
- (b) the number of Shares issued during the previous 5 years pursuant to the 2010 ES Plan or any other Company employee share scheme (including the 2007 ES Plan);

but disregarding any offer made, Performance Rights acquired or share issued by way of or as a result of an offer under the 2010 ES Plan to a person situated outside Australia; or an offer under the 2010 ES Plan that did not need disclosure to investors because of Section 708 of the Corporations Act; or an offer made under a disclosure document, must not exceed 5% of the total number of issued Shares as at the time of the offer under the 2010 ES Plan.

#### **Lapse of Performance Rights**

Unless the Board determines otherwise (in its sole and absolute discretion) all unvested Performance Rights will lapse on the earlier of:

- (a) cessation of employment of a Participant;
- (b) if the Board determines in its reasonable opinion that the Performance Conditions have not been met and cannot be met prior to the Expiry Date; and
- (c) the Expiry Date.

## Leavers and change of control

Other than as may be set out in any relevant Invitation Letter, unless the Board determines otherwise (in its sole and absolute discretion) all unvested Performance Rights will lapse upon the termination of a Participant's employment contract with the Company.

Other than as may be set out in any relevant Invitation Letter, where a Change of Control Event has occurred (or in the opinion of the Board will occur) the Board may determine in its sole and absolute discretion, the manner in which the Performance Rights will be dealt with, including (but not limited to) allowing the Participants to exercise all or a proportion of their Performance Rights within such time as determined by the Board, after which the Performance Rights will lapse.

## Adjustments

The following adjustments may be made in respect of Performance Rights:

- (a) in the event of a pro-rata issue by the Company to the holders of ordinary Shares during the currency of, and prior to the exercise of any Performance Rights, the quantum of each Performance Right will be adjusted in accordance with the ASX Listing Rules;
- (b) if the Company makes a pro-rata bonus issue to Shareholders and a Performance Right is not exercised before the record date to determine entitlements to that bonus issue, the number of Shares to be issued on exercise of the Performance Right is the number of Shares before that bonus issue plus the number of Shares which would have been issued to the Participant if the Performance Right had been exercised before that record date; and
- (c) in the event of any reorganisation (including reconstruction, consolidation, subdivision, return or cancellation) of the issued capital of the Company before the expiry of any Performance Right, the Performance Right shall be reorganised in accordance with the provisions set out in the ASX Listing Rules (regardless of whether the Company is a listed entity). In all other respects the terms and conditions of the conversion of the Performance Rights shall remain unchanged.

## Amendments

Subject to the ASX Listing Rules and the limitations on the number of Performance Rights that may be granted, the 2010 ES Plan Rules may be amended from time to time by a resolution of the Directors and consent of the Trustee provided however that the Rules cannot be amended to increase any existing benefits or adversely affect any existing rights accruing to Holders, except that if any amendment is to be made which would adversely affect the rights of Holders in respect of any Performance Rights then held by them the Directors must obtain the consent of Holders who between them hold not less than 75% of the total number of those Performance Rights held by all those Participants before making the amendment, or the Plan can be amended without the consent of Holders for the purposes of complying or conforming with present or future legislation governing or regulating the 2010 ES Plan, to correct any manifest error or mistake, for the purposes of complying with the ASX Listing Rules, or to take into account any adverse taxation implications in relation to the 2010 ES Plan.

## Exercise, withdrawal, and transfer

Upon exercise of Performance Rights, the Performance Rights will automatically lapse and the Company will, for each Performance Right exercised, issue to the Trustee, or direct the Trustee to acquire or allocate one Share, and the Trustee will hold those Shares on trust for Participant as beneficial owner, subject to the terms and conditions of the Trust Deed.

Those Shares will be held by the Trustee until such time as the Participant provides the Company with a Withdrawal Notice for Board approval, in respect of some or all of the Shares held by the Trustee.

Shares may only be withdrawn from the Trust so as to result in the holding of a marketable parcel (within the meaning of the ASX Listing Rules) unless the Board agrees otherwise.

The Board may determine, in its sole and absolute discretion, such disposal restrictions on the Shares held by the Trustee as it considers appropriate.

## Rights attaching to Shares issued under the 2010 ES Plan

All Shares issued on the exercise of the Performance Rights and held in Trust are subject to the Constitution of the Company and rank equally in every way with the Company's then issued Shares. The Company will apply to the ASX for, and will use its best endeavours to obtain, quotation for the Shares to be issued to the Holder on exercise of the Performance Rights.



## SCHEDULE 2

### SUMMARY OF THE TERMS AND CONDITIONS APPLYING TO THE GRANT OF 5,925,000 PERFORMANCE RIGHTS UNDER THE 2010 PANORAMIC RESOURCES LIMITED EMPLOYEE SHARE PLAN ("2010 ES PLAN")

#### Performance Rights Terms approved by the Board

The Board has resolved to grant in aggregate, 5,925,000 Performance Rights under the 2010 ES Plan, at zero cost, to 33 executives and senior employees of the Company (excluding all non-executive directors) as part of their overall remuneration package (including, subject to Shareholder approval, 1,050,000 Performance Rights to Mr Harold) as part of their overall remuneration package, on the following terms:

- (a) Performance Rights are to be granted for no consideration and are not transferable by the Holder except with prior approval of the Board.
- (b) Holders will not be required to pay any consideration for Shares issued to them on exercise of their Performance Rights.
- (c) The Performance Rights granted will have two different Performance Periods and Vesting Dates as set out below:

Tranche	No. of Performance Rights	Performance Period	Vesting Date
1	One-half of total number of Performance Rights granted	1 July 2010 - 1 July 2012	1 July 2012
2	One-half of total number of Performance Rights granted	1 July 2011 - 31 December 2013	31 December 2013

- (d) Upon satisfaction of the Performance Conditions described in paragraphs (e) to (g) below, the Performance Rights will vest on the Vesting Date and be deemed to have been automatically exercised by the Holder.
- (e) Entitlement to exercise the Performance Rights will be dependent upon the performance of the Company relative to a group of selected peers ("**Peer Group**") over the Performance Periods set out in paragraph (c) above.
- (f) The Peer Group comprises those companies that are constituents of the S&P / ASX 300 Metals & Mining Index at the beginning of the relevant Performance Period. The Peer Group is to be ranked in terms of total shareholder return ("**TSR**"), which is the percentage increase in the share price plus reinvested dividends adjusted for bonus issues, subdivisions and consolidations of capital. The share prices to be used for the calculation of TSR are determined as the volume weighted average of the share price over the 30-day period immediately preceding the start and end date of the relevant Performance Period.
- (g) Performance Rights will only be available to be exercised by a Holder provided that the TSR ranking of the Company for the Performance Period is at or above the 50th percentile of the Peer Group. At the 50th percentile, a Holder will be entitled to 25% of the Shares, increasing to 100% at the 75th percentile, summarised as follows:

TSR	% of Personal Allotment Issued to Holders
Below 50 <sup>th</sup> percentile	No Performance Rights exercisable
At or above the 50 <sup>th</sup> percentile but below the 60 <sup>th</sup> percentile	25% to 49% (pro-rata on a straight-line basis) of the Performance Rights available to be exercised
At or above the 60 <sup>th</sup> percentile but below the 75 <sup>th</sup> percentile	50% to 99% (pro-rata on a straight-line basis) of the Performance Rights available to be exercised
At or above the 75 <sup>th</sup> percentile	100% of Performance Rights available to be exercised

- (h) For Performance Rights which have not yet vested, there are different consequences upon termination of a Participant's employment which depend on whether the Participant is a "Good Leaver" or an "Other Leaver". A "Good Leaver" is a Participant who is not an "Other Leaver" and includes where the Participant ceases employment or office with the Company due to redundancy, retirement (in some circumstances), permanent incapacity or death. An "Other Leaver" is a Participant who ceases to be an employee or office of the Company in any of the following circumstances:
- resigns or ceases employment with the Company (as the case may be); or
  - has their employment terminated by the Company due to poor performance, gross misconduct, material breach, gross negligence or other conduct justifying termination of employment or office without notice; or
  - becomes ineligible to hold office for the purposes of Part 2D.6 of the Corporations Act 2001 (Cth).
- (i) Unless the Board, in its sole and absolute discretion, determines otherwise, all unvested Performance Rights will automatically lapse where a participant is an Other Leaver, or ceases their employment or office with the Company on or prior to 1 July 2012.
- (j) If a Participant ceases their employment or office with the Company after 1 July 2012 and is a Good Leaver, then, subject to the Company meeting the Performance Conditions described in paragraphs (e) to (g) above for the Performance Period ending on the date that notice of termination is given or employment ceases, the Participant will be entitled to a pro-rata portion (calculated on a daily basis) of their Performance Rights vesting earlier than the Vesting Dates set out in paragraph (c) above.
- (k) If a Participant is terminated after a Change of Control Event, then the position as set out in paragraph (j) above will apply. If a Participant is not terminated after a Change of Control Event and the Company remains listed on the ASX there will be no change to the Performance Period or Vesting Dates set out in paragraph (c) above.
- (l) If upon a Change of Control Event, the Company ceases to be listed, subject to the Performance Conditions being met from the beginning of the relevant Performance Period until the date of the Change of Control Event, the Participant will be entitled to a pro-rata portion (calculated on a daily basis) of the Performance Rights vesting as at the date of the Change of Control Event. If the bidder is not listed, a cash payout of the entitlement will be made with the share price based on any bid price or the higher of the market price as at the date of the Change of Control Event. If the bidder is listed the Participant may choose to receive any entitlement as a cash payout or as equivalent shares in the bidder (provided that the bidder agrees to such an arrangement).

### SCHEDULE 3

#### SUMMARY OF THE SHORT TERM INCENTIVE BONUS ("STIB") PROVIDED UNDER THE CONTRACT OF EMPLOYMENT BETWEEN PETER HAROLD AND THE COMPANY

##### Short Term Incentive Bonus

The Contract provides for a short term incentive bonus ("STIB") scheme which is intended to encourage and provide a further incentive to Mr Harold to:

- (a) maximise the financial performance of the Company on a regular and consistent basis that is also consistent with the Company's Core Values; and
- (b) create and maintain a culture within all levels of the Company and Group such that the Company's Core Values are accepted, supported and actively promoted by all the employees of the Company and Group.

##### Calculation of the STIB

The STIB is calculated annually at the end of the relevant financial year ("**Relevant Financial Year**"). The entitlement to the STIB accrues quarterly (in arrears) over the course of the Relevant Financial Year. The STIB comprises two parts - the first is based on the Company's financial performance; the second is discretionary and based on the extent to which the Company, Mr Harold and all employees have acted and performed in a manner consistent with the Company's Core Values (see below) during the Relevant Financial Year.

##### Financial Performance

A cash bonus will be paid to Mr Harold if certain financial thresholds are met by the Company during the Relevant Financial Year ("**Cash Bonus**"). The Cash Bonus will be calculated at the end of the Relevant Financial Year using figures obtained from the audited consolidated financial statements of the Company for the Relevant Financial Year, in accordance with the following:

$$C = [P - (E \times 15\%)] \times 2.5\%$$

where

C = the Cash Bonus to be paid to Mr Harold for the Relevant Financial Year;

P = Earnings Before Interest and Tax ("**EBIT**") of the Company (on a consolidated basis) for the Relevant Financial Year;

E = the average of (1) the "Total Assets" line item of the audited consolidated balance sheet of the Company for the Relevant Financial Year and (2) the "Total Assets" line item of the audited consolidated balance sheet of the Company for the year immediately preceding the Relevant Financial Year. "Total Assets" includes current and non-current assets;

The Cash Bonus for a Relevant Financial Year must not exceed 75% of Mr Harold's fixed remuneration for the Relevant Financial Year.

##### Core Values

In addition to the above Cash Bonus, the Company (in its sole and absolute discretion) may, subject to any necessary Shareholder approval, pay the Mr Harold a discretionary cash bonus ("**Discretionary Cash Bonus**"). The Discretionary Cash Bonus will be determined by the Board at the end of the Relevant Financial Year taking into account the extent to which the Company, Mr Harold and all employees have acted and performed in a manner consistent with the Company's Core Values during the Relevant Financial Year.

The Discretionary Cash Bonus for a Relevant Financial Year (if any) must not exceed 25% of Mr Harold's fixed remuneration for the Relevant Financial Year.

The Company's Core Values are the core values of the Company as announced to the ASX from time to time by the Company, which at the commencement of Mr Harold's Contract were to:

- maintain and improve the Company's safety culture so every employee believes that safety is the Company's most important value in line with the Company's safety mantra: Vision, Commitment, Results;
- optimise the Company's metal production by focus on operations and the performance of the management team;
- maintain a programme to grow the Company's existing resource and reserve base;
- seek to acquire additional assets so the Company pursues its aim to become a diversified mining house; and
- maintain a steady return to Shareholders through dividends and/or increase in the value of the Company's shares.

#### **Accrued STIB on termination by the Company**

If the Company terminates Mr Harold's employment contract, other than lawfully in accordance with its terms, Mr Harold will be entitled to be paid his accrued STIB at the time notice of the termination is given based on the maximum possible Cash Bonus and Discretionary Cash Bonus for the financial year in which the notice of termination is given. The maximum STIB Mr Harold could receive upon termination is 75% of his fixed remuneration for the Relevant Financial Year.

If Mr Harold works out the whole or any part of his notice period, he will be entitled to the STIB during the period after the notice is given until such time as he stops working.

Mr Harold will not receive any accrued STIB in the event that he gives notice.

**Lodge your vote:**



**Online:**  
www.investorvote.com.au



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 PAN  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Proxy Form



Vote online, 24 hours a day, 7 days a week:

**www.investorvote.com.au**



**Cast your proxy vote**



**Review and update your securityholding**

*Your secure access information is:*

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 3.00pm (WST) Wednesday 1 September 2010**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Panoramic Resources Limited hereby appoint

the Chairman of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Panoramic Resources Limited to be held at the Duxton 3 Meeting Room, Lower Lobby, The Duxton Hotel, 1 St George's Terrace, Perth, Western Australia on Friday, 3 September 2010 at 3.00pm (WST) and at any adjournment of that meeting.

**Important for Resolutions 1 and 2:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 1 and 2 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 1 and 2 and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 and 2.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

- |              |  | For                      | Against                  | Abstain                  |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Approval for the establishment and operation of the new 2010 ES Plan including the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the new 2010 ES Plan, and the giving of termination benefits under the new 2010 ES Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Approval for the grant of the "P Harold Performance Rights" and the issue of Shares on the exercise of those Performance Rights to Peter Harold under the new 2010 ES Plan   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Approval for the giving of benefits on termination of employment to Peter Harold   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval for the giving of benefits on termination of employment to other Key Management   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

PAN

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Computershare +