



ABN 47 095 792 288

NOTICE OF GENERAL MEETING

INCLUDING

EXPLANATORY MEMORANDUM

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

Date of Meeting

30 July 2014

Time of Meeting

10am (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 Wednesday, 30 July 2014 at 10am (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

Resolution 1 - Approval for the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the 2010 Panoramic Resources Limited Employee Share Plan Rules ("2010 ES Plan") and to give retirement benefits

To consider and, if thought fit, pass the following resolution as **ordinary resolution**:-

"That approval is given:

- a) *to the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the 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*
- b) *for the purposes of Section 200E of the Corporations Act to the giving of benefits under the 2010 ES Plan by the Company to a person (other than the persons mentioned in Resolutions 3 and 4) or their spouse, relatives, spouses relatives, associates or associates spouses in connection with that person's retirement from a managerial or executive office or position of employment in the Company or a related body corporate of the Company,*

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 Performance Rights to Peter Harold

To consider and, if thought fit, pass the following resolution as **ordinary resolution**:-

"That, for the purposes of ASX Listing Rule 10.14 and, subject to the passing of Resolution 1, approval is given for the grant of Performance Rights to Peter Harold (and/or his nominee) and for the issue of Shares to Peter Harold (and/or his nominee) on the exercise of such Performance Rights under the 2010 ES Plan on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Resolution 3 - Approval for the giving of retirement benefits to Peter Harold

To consider and, if thought fit, pass the following resolution as **ordinary resolution**:-

"That, for the purposes of Section 200E of the Corporations Act, approval is given for the Company to give to Peter Harold (or his spouse, relatives, spouses relatives, associates or associates spouses) benefits under the 2010 ES Plan in connection with Peter Harold's retirement from a managerial or executive office or position of employment in the Company or a related body corporate of the Company."

Resolution 4 - Approval for the giving of retirement benefits to Other Key Management Personnel

To consider and, if thought fit, pass the following resolution as **ordinary resolution**:-

“That, for the purposes of Section 200E of the Corporations Act, approval is given for the Company to give to each of Trevor Eton, Terry Strong, Angus Thomson, Christopher Williams, John Hicks, Mark Recklies and Timothy Mason (or their respective spouses, relatives, spouses relatives, associates or associates spouses) any of the benefits described in the Explanatory Memorandum accompanying this Notice of Meeting in connection with their respective retirements from a managerial or executive office or position of employment in the Company or a related body corporate of the Company.”

Voting Exclusions

In accordance with the ASX Listing Rules and the *Corporations Act 2001*, the Company will disregard any votes cast on Resolutions 1, 2 or 3 by Peter Harold or any associate of Mr Harold. However the Company need not disregard a vote cast on Resolutions 1, 2 or 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 or 4 by Trevor Eton, Terry Strong, Angus Thomson, Christopher Williams, John Hicks, Mark Recklies and Timothy Mason, or any of their respective associates. However the Company need not disregard a vote cast on Resolutions 1 or 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 or 2 by any Director of the Company (except those who are ineligible to participate in the 2010 ES Plan) or any of their associates. However the Company need not disregard a vote cast on Resolutions 1 or 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: 23 June 2014

EMPLOYEE SHARE PLAN

Shareholders may obtain a copy of the full terms of the 2010 Panoramic Resources Limited Employee Share Plan (“**2010 ES Plan**”), which was previously approved by Shareholders on 3 September 2010 by contacting the Company Secretary at the Company’s Perth Office on +61 8 6266 8600.

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 10.00am (Perth time) on Monday, 28 July 2014.

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 Monday, 28 July 2014.



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 grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the 2010 Panoramic Resources Limited Employee Share Plan Rules ("2010 ES Plan") and to give retirement benefits

Shareholder approval and background

Shareholder approval for the grant of Performance Rights and the issue of Shares on the exercise of those Performance Rights as well as the giving of retirement benefits under the 2010 ES Plan is sought under Resolution 1.

Since the expiry and non-vesting on 31 December 2013 of the remaining Tranche 2 of Performance Rights granted to executives in December 2010 under the 2010 ES Plan, the Company has revisited its long term incentive ("LTI") arrangements to ensure that they continue to reward, retain and motivate executives in a manner aligned with Shareholders. After reviewing a number of popular equity incentive plans in the market place, the Board has decided that the granting of Performance Rights under the 2010 ES Plan remains the most appropriate mechanism to retain and incentivise executives to deliver value to Shareholders.

Unlike the previous grants under the 2010 ES Plan of a fixed number of Performance Rights (vesting over 24 month and 18 month periods respectively), it is now proposed to make annual grants to executives so that LTI's form a key at-risk component of their total annual remuneration.

The LTI dollar value that executives will be entitled to receive is set at a fixed percentage of their annual Fixed Remuneration and will range from 50% to 100% of Fixed Remuneration, depending on the Participant's level and seniority. The Company believes this level of LTI is in line with current market practices.

It is proposed that Performance Rights will be granted to Participants in accordance with the Rules of the 2010 ES Plan. A copy of 2010 ES Plan Rules will be made available for inspection at the Company's registered office before the Meeting and at the Meeting. A summary of the 2010 ES Plan Rules is set out in Schedule 1 of this Explanatory Memorandum.

More specifically, it is anticipated that Performance Rights will be granted to executives and senior employees broadly on the same terms and conditions as it is proposed that Performance Rights be granted to the Company's Managing Director, Mr Peter Harold (including as to allocation methodology, performance and service periods and performance hurdles). The basis on which Performance Rights will be granted to Mr Harold is explained in detail under the explanation relating to Resolution 2.

Exception to ASX Listing Rule 7.1

On 3 September 2010, Shareholders approved the establishment and operation of the 2010 ES Plan. ASX Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as Performance Rights), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period. Exception 9(b) in ASX Listing Rule 7.2 provides an exception to ASX Listing Rule 7.1 and is available where the issue of securities under an employee incentive scheme has been approved by shareholders within the previous three years as an exception to ASX Listing Rule 7.1. For these purposes, Shareholder approval to issues under the 2010 ES Plan expired on 3 September 2013.

Accordingly, the Company now seeks a new Shareholder approval for the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the 2010 ES Plan, which approval will apply for the next 3 years following the date of Shareholder approval under Resolution 1.

Provided that Shareholder approval is given under Resolution 1, the grant of Performance Rights and the issue of the Company's Shares on the exercise of Performance Rights under the 2010 ES Plan will be excluded from the 15% calculation for the purposes of ASX Listing Rule 7.1.

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

- (a) A total of 5,925,000 Performance Rights were granted under the 2010 ES Plan after the initial approval of the Plan on 3 September 2010. None of those Performance Rights were able to be exercised and as a consequence no Shares were issued. There are no other outstanding Performance Rights or securities previously granted or issued under the 2010 ES Plan or any other Company employee share scheme;
- (b) The 2010 ES Plan has not changed since it was approved by the Company's Shareholders on 3 September 2010. A summary of the proposed 2010 ES Plan Rules is set out in Schedule 1 of this Explanatory Memorandum; and
- (c) The restrictions on voting under ASX Listing Rule 14.11 and the Corporations Act are 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. Such approval was given by Shareholders when the 2010 ES Plan was initially approved. It is not necessary to refresh that approval.

Retirement benefits

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with their retirement from a managerial or executive office, or position of employment, in the Company or a related body corporate if:

- (a) it is approved by shareholders under Section 200E of the Corporations Act; or
- (b) an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

The Section applies to managerial or executive officers of the Company or of any of its subsidiaries ("**Key Management Personnel**"), which includes directors and all persons whose remuneration is required to be disclosed in the Company's annual audited 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" is open to a potentially wide interpretation and may include the early vesting of Performance Rights under the 2010 ES Plan Rules (*as summarised in Schedule 1 of this Explanatory Memorandum*).

Resolution 1 (paragraph (b)) 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. Resolution 1 (paragraph (b)) does not however apply to the persons for whom specific approval is being sought under Resolutions 3 and 4.

Approval is sought under Section 200E of the Corporations Act to any “retirement benefit” that may be provided to a Participant under the terms of the 2010 ES Plan.

The retirement benefit that may be given under the 2010 ES Plan is the early vesting of Performance Rights in certain circumstances including upon termination of the holder’s employment or office with the Company due to redundancy, retirement (in some circumstances), permanent incapacity or death, in situations where a change of control event occurs or, in the opinion of the Board, will occur or in other circumstances as 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;
- the number of Performance Rights that vest;
- the price of Shares on the ASX on the last ASX trading day before the date of calculation;
- the performance criteria that apply to the Participant’s Performance Rights;
- the Participants length of service and reasons for cessation of employment; and
- the exercise of the Board’s discretion at the relevant time.

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 new issues under 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 it is not cast on behalf any person who is a managerial or executive officer of the Group or an associate of such a person.

Recommendation

The Board, excluding Mr Harold, unanimously recommends that Shareholders vote in favour of Resolution 1.

Resolution 2 - Approval for the grant of Performance Rights to Peter Harold

Background

Subject to Shareholder approval of Resolution 1, Resolution 2 seeks Shareholder approval for the grant of FY2015 Performance Rights to Peter Harold under the 2010 ES Plan. Mr Harold is the Company’s Managing Director.

The Board recognises that stability of leadership is imperative for the growth opportunities of the Company to be fully maximised. The Company seeks to bring Mr Harold’s remuneration package into line with market practices, so that the LTI forms a key component of his total remuneration on an annual basis. Since 31 December 2013, there has been no component of Peter Harold’s remuneration that has been at-risk on a long-term basis. The Board wishes to align his interests with Shareholders, by encouraging the achievement of long-term sustainable growth and to incentivise him to remain as the Company’s Managing Director.

It is proposed that FY2015 Performance Rights be granted to Peter Harold as it is one of the most accepted equity instruments used by ASX listed companies.

Grant of FY2015 Performance Rights under the 2010 ES Plan

Under ASX Listing Rule 10.14, the Company must obtain Shareholder approval in order to grant FY2015 Performance Rights, and to issue Shares on the exercise of the FY2015 Performance Rights, to Mr Harold (or his nominee).

LTI Dollar Value

The value of FY2015 Performance Rights to be granted to Mr Harold has been determined with reference to contemporary market practice. For FY2015, the LTI dollar value of the LTI grant to Peter Harold will be equivalent to 100% of his Fixed Remuneration (base salary plus statutory superannuation) at 1 July 2014, which equals \$606,083.

Allocation Methodology

In determining the number of Performance Rights to be granted, the LTI dollar value is divided by the fair value (“**FV**”) of one Performance Right (as determined by an independent valuer) as follows:

$$\frac{\text{LTI dollar value (\$)}}{\text{FV (\$) of one Performance Right}} = \text{Number of Performance Rights to be granted}$$

The FV of one Performance Right is determined using a Binomial valuation model (for non-market vesting conditions) and a Monte Carlo simulation model (for market vesting conditions), that takes into account the share price at grant date and expected price volatility of the underlying Share, the expected dividend yield and the risk-free rate for the term of the right at the date of grant.

Subject to Shareholder approval of Resolution 2, the date for calculation of the FV of the FY2015 Performance Rights will be 1 July 2014. As a consequence, although the LTI dollar value as specified above is known, the FV and the actual number of Performance Rights to be granted to Mr Harold is unknown as at the date of this Notice of Meeting. The FV and actual number of Performance Rights granted to Peter Harold, assuming Resolution 2 is approved by Shareholders, will be disclosed subsequently in Appendix 3B and Appendix 3Y Notices to the ASX and in the Company’s 2014 Remuneration Report published within the 2014 Directors’ Report in August 2014.

As an example of using the formula, assuming a FV of \$0.70, the quantum of Performance Rights to be granted to Peter Harold would be 865,833.

For clarification, under Accounting Standard AASB2: *Share Based Payments*, the Company will recognise an expense in the income statement based on the fair value of the Performance Rights over the period from 1 July 2014 to the vesting date. The total of the LTI dollar value of the FY2015 Performance Rights to be expensed over the 3 year Performance Period is \$606,083.

For subsequent financial years, Shareholders will be required each year to approve the grant of Performance Rights to Peter Harold at the Company’s Annual General Meeting of Shareholders, when the FV and quantum of Performance Rights will be known and disclosed in the relevant Notice of Meeting.

Performance and Service Periods

Performance is tested over a period of 3 years to ensure that sustainable Shareholder growth has been created.

Notwithstanding that the relative TSR and/or reserve/resource growth hurdles have been met, no Performance Rights will vest unless Mr Harold also remains employed with the Company for the full 3 year period.

It is only if one or both of these Performance Hurdles are passed and the 3 year service condition is met that the Performance Rights can be exercised into Shares. If Mr Harold ceases employment before the 3 year service condition is passed, then Mr Harold’s Performance Rights will be forfeited, unless otherwise determined by the Board in their discretion.

Performance Conditions or Hurdles

The vesting of Mr Harold’s Performance Rights, and the issue of Shares on the exercise of those Performance Rights, will be subject to meeting Performance Hurdles as explained below:

- 75% of the Performance Rights will be performance tested against the relative total shareholder return (“**TSR**”) measured over a 3 year period; and

- 25% of the Performance Rights will be performance tested against the Company's metal reserve/resource growth over a 3 year period.

The first Performance Hurdle, namely, the Company's TSR will be updated at the end of each financial year and measured against a customised Peer Group, which for the FY2015 grant of Performance Rights, comprises the following companies:

- | | |
|--------------------------------|---------------------------|
| ▪ Adita Birla Minerals Limited | ▪ Indophil Resources NL |
| ▪ Altona Mining Limited | ▪ Mincor Resources NL |
| ▪ Aurelia Metals Limited | ▪ Rex Minerals Limited |
| ▪ CuDeco Limited | ▪ Sandfire Resources NL |
| ▪ Heron Resources Limited | ▪ Sirius Resources NL |
| ▪ Hillgrove Resources Limited | ▪ Poseidon Nickel Limited |
| ▪ Hot Chili Ltd | ▪ Western Areas Ltd |

No Performance Rights (relating to TSR) will vest unless the percentile ranking of the Company's TSR for the Performance Period, as compared to the TSR's in the Peer Group for the same Performance Period, is at or above the 50th percentile.

The following table sets out the vesting outcome based on the Company's relative TSR performance:

Relative TSR Performance	% of Performance Rights vesting (out of 75% able to vest under TSR Performance Hurdle)
Below 50 th percentile	No Performance Rights vesting
At or above the 50 th percentile but below the 75 th percentile	50% to 99% vesting (pro-rata on a straight-line basis) of the Performance Rights
At or above the 75 th percentile	100% of Performance Rights vesting

The second Performance Hurdle is the Company's metal reserve/resource growth net of depletion over a 3 year period. Broadly, the quantum of the increase in reserves/resources will determine the number of Performances Rights to vest.

The following table sets out the vesting outcome based on the Company's metal reserve/resource growth performance:

Reserves and Resources Growth Performance	% of Performance Rights vesting (out of 25% able to vest under Reserve and Resource Growth Performance Hurdle)
Reserves and Resources depleted	No Performance Rights vesting
Reserves and Resources maintained	50% vesting of the Performance Rights
Reserves and Resources grown by up to 30%	Between 50% and 100% vesting (pro-rata on a straight-line basis) of the Performance Rights
Reserves and Reserves grown by 30% or more	100% of Performance Rights vesting

There will be no retesting of Performance Hurdles. Any Performance Rights that fail to become exercisable due to a failure to satisfy the Performance Hurdles will lapse and will be forfeited.

Chapter 2E of the Corporations Act

The Board, other than Mr Harold, considers that the grant of the FY2015 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 Board believes that the proposed grant and subsequent 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.

Information required by ASX Listing Rule 10.15A

Additional information required by ASX Listing Rule 10.15A in relation to Resolution 2 is provided below:

- (a) the maximum number of FY2015 Performance Rights to be granted to Mr Harold, and the maximum number of Shares which can be issued on exercise of such Performance Rights is determined by the allocation methodology formula as outlined above;
- (b) Mr Harold will not be required to pay any amount on the grant or exercise of the FY2015 Performance Rights. The grant of FY2015 Performance Rights will have Performance Hurdles attached;
- (c) since 3 September 2010, when the 2010 ES Plan was first approved, Mr Harold was granted 1,050,000 Performance Rights for nil cash consideration. None of those Performance Rights was exercised and they have now all lapsed. No other persons referred to in Listing Rule 10.14 have been granted any Performance Rights or issued any securities upon the exercise of Performance Rights under the 2010 ES Plan;
- (d) the following persons referred to in Listing Rule 10.14 are, subject to Resolutions 1 and 2 being approved, entitled to participate in the 2010 ES Plan - Mr Harold and/or his permitted nominees;
- (e) no loan will be provided to Mr Harold for him to acquire the FY2015 Performance Rights under the 2010 ES Plan or to acquire any Shares on exercise of the FY2015 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 Resolution 1 is approved by Shareholders, 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 FY2015 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.

Recommendation

The Board, excluding Mr Harold, unanimously recommends that Shareholders vote in favour of Resolution 2.

Resolution 3 - Approval for the giving of retirement benefits to Peter Harold

Retirement benefits

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with their retirement from a managerial or executive office, or position of employment, in the Company or a related body corporate if:

- (a) it is approved by shareholders under Section 200E of the Corporations Act; or
- (b) an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

The Section applies to Mr Harold.

The term "benefit" is open to a potentially wide interpretation and may include the early vesting of Performance Rights under the 2010 ES Plan Rules (*as summarised in Schedule 1 of this Explanatory Memorandum*).

Approval is sought under Section 200E of the Corporations Act to any “retirement benefit” that may be provided to Mr Harold under the terms of the 2010 ES Plan.

The retirement benefit that may be given under the 2010 ES Plan is the early vesting of Performance Rights in certain circumstances including upon termination of Mr Harold’s employment or office with the Company due to redundancy, retirement (in some circumstances), permanent incapacity or death, in situations where a change of control event occurs or, in the opinion of the Board, will occur or in other circumstances as 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 Mr Harold;
- the number of Performance Rights that vest;
- the price of Shares on the ASX on the last ASX trading day before the date of calculation;
- the performance criteria that apply to Mr Harold’s Performance Rights;
- Mr Harold’s length of service and reasons for cessation of employment; and
- the exercise of the Board’s discretion at the relevant time.

It should be noted that other benefits may be provided to Mr Harold in connection with his retirement from a managerial or executive office, or position of employment, in the Company or a related body corporate. Those benefits are in addition to “retirement benefits” that may be provided to Mr Harold under the terms of the 2010 ES Plan. The payment of certain of those benefits was approved at the time that the 2010 ES Plan was approved in September 2010.

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 it is not cast on behalf of Mr Harold or an associate of Mr Harold.

Recommendation

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

Resolution 4 - Approval for the giving of retirement benefits to Other Key Management Personnel

Retirement benefits

Under Section 200B of the Corporations Act, a company may only give a person a benefit in connection with their retirement from a managerial or executive office, or position of employment, in the Company or a related body corporate if:

- (a) it is approved by shareholders under Section 200E of the Corporations Act; or
- (b) an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year’s average base salary)

The Section applies to managerial or executive officers of the Company or of any of its subsidiaries (“**Key Management Personnel**”), which includes directors and all persons whose remuneration is required to be disclosed in the Company’s annual audited 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” is open to a potentially wide interpretation and may include the early vesting of Performance Rights under the Rules of the 2010 ES Plan (*as summarised in Schedule 1 of this Explanatory Memorandum*).

Approval is sought under Section 200E of the Corporations Act to any “retirement benefit” that may be provided to the following Key Management Personnel under the terms of the 2010 ES Plan and for the other benefits referred to below :

- Trevor Eton;
- Terry Strong;
- Angus Thomson;
- Christopher Williams;
- John Hicks;
- Mark Recklies; and
- Timothy Mason

(together “**Other Key Management Personnel**”)

Benefits under 2010 ES Plan

The retirement benefit that may be given under the 2010 ES Plan is the early vesting of Performance Rights in certain circumstances including upon termination of the holder’s employment or office with the Company due to redundancy, retirement (in some circumstances), permanent incapacity or death, in situations where a change of control event occurs or, in the opinion of the Board, will occur or in other circumstances as 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;
- the number of Performance Rights that vest;
- the price of Shares on the ASX on the last ASX trading day before the date of calculation;
- the performance criteria that apply to the Participant’s Performance Rights;
- the Participant’s length of service and reasons for cessation of employment; and
- the exercise of the Board’s discretion at the relevant time.

Other benefits

In addition to the retirement benefits referred to above, on termination of their respective employment contracts with the Company, each of the abovementioned Other Key Management Personnel may also be entitled to receive:

- 6 months’ remuneration in lieu of notice; and
- a pro-rata payout of a short term incentive bonus, if any.

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 relevant person’s length of service and reasons for cessation of employment; and
- the exercise of the Board’s discretion at the relevant time.

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 any of the Other Key Management Personnel or 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 it is not cast on behalf of any of the Other Key Management Personnel or an associate of any of the Other Key Management Personnel.

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 6266 8600 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);
- “**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 2010 ES Plan;
- “**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;
- “**FV**” means the fair value of one Performance Right as determined by an independent valuer.
- “**Fixed Remuneration**” means the combination of base salary and statutory superannuation (9.5% of base salary to apply from 1 July 2014);
- “**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 2010 ES Plan;
- “**Invite**” means to invite an Eligible Employee to accept a 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 to accept a grant of Performance Rights and sets out all relevant terms and conditions in respect of the Invitation;
- “**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors (whether executive or otherwise) of the Company.
- “**LTI**” means long term incentive.
- “**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;
- “**Other Key Management Personnel**” means Trevor Eton, Terry Strong, Angus Thompson, Chris Williams, John Hicks, Mark Recklies and Timothy Mason, and each of them.

“Participant” means a person who has been granted Performance Rights pursuant to the Rules;

“Peer Group” means the companies selected by the Board to be used in the relative TSR Performance Hurdle testing before the commencement of each relevant Performance Period;

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

“Performance Period” means the period within which the Performance Conditions or Performance Hurdles are tested;

“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;

“Related Body Corporate” has the meaning given to that term in the Corporations Act;

“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, a summary of which is set out in Schedule 1 of this Explanatory Memorandum;

“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, which is the percentage increase in the Share price plus reinvested dividends adjusted for bonus issues, subdivisions and consolidations of capital; and

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

SCHEDULE 1

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

Background

The 2010 ES Plan was approved by Shareholders at a General Meeting on 3 September 2010. The Board has decided that annual grants of Performance Rights under the 2010 ES Plan remains the most appropriate mechanism to incentivise executives to deliver value to Shareholders. Set out below is a summary of the Rules of the 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. Eligible Employees may include executive and non-executive Directors. It is not intended that any Director, other than Mr Harold, be granted FY2015 Performance Rights under 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, 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.

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 time 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, contribute an amount or 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 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.

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

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 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 10:00am (Perth time) Monday, 28 July 2014**

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. Delete titles as applicable.

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 help tab, "Printable 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

IND

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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Panoramic Resources Limited to be held in the Duxton 3 Meeting Room - Lower Lobby at the Duxton Hotel, 1 St George's Terrace, Perth, Western Australia on Wednesday, 30 July 2014 at 10.00am (Perth time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 - 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 - 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 - 4 by marking the appropriate box in step 2 below.

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 grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the 2010 Panoramic Resources Limited Employee Share Plan Rules ("2010 ES Plan") and to give retirement benefits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for the grant of Performance Rights to Peter Harold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the giving of retirement benefits to Peter Harold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for the giving of retirement benefits to Other Key Management Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 2 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 3 <input style="width: 90%; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____