



**PANORAMIC**  
RESOURCES LTD

ABN 47 095 792 288

**NOTICE OF 2015 ANNUAL GENERAL  
MEETING**

**INCLUDING**

**EXPLANATORY MEMORANDUM**

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

**Date of Meeting**

Friday, 20 November 2015

**Time of Meeting**

10.00am (WST)

**Place of Meeting**

FREMANTLE ROOM  
PARMELIA HILTON, 14 MILL STREET  
PERTH, WESTERN AUSTRALIA



# PANORAMIC

## RESOURCES LTD

ABN 47 095 792 288

### NOTICE OF 2015 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fourteenth Annual General Meeting of the Shareholders of Panoramic Resources Limited ABN 47 095 792 288 ("**Company**") will be held in the Fremantle Room, Parmelia Hilton, 14 Mill Street, Perth, Western Australia on Friday, 20 November 2015 at 10.00am (WST) for the purpose of transacting the following business.

#### AGENDA

##### BUSINESS

The accompanying Explanatory Memorandum containing information in relation to each of the following Resolutions forms part of this Notice of 2015 Annual General Meeting and should be read in conjunction with it.

##### ORDINARY BUSINESS

###### Item 1 – RECEIPT OF ANNUAL FINANCIAL REPORT

*"To receive and consider the 2015 Annual Financial Report of the Company, which includes the financial statements of the Company for the year ended 30 June 2015, together with the notes to the financial statements, the Directors' declaration and the reports by the Directors and Independent Auditor."*

###### Item 2 – ELECTION OF MR PETER SULLIVAN AS A DIRECTOR (Resolution 1)

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

*"That, for all purposes, Mr Peter Sullivan, who was appointed to the Board of Directors since the last Annual General Meeting of the Company, is elected as a Non-Executive Director"*

###### Item 3 –RE- ELECTION OF MR JOHN ROWE AS A DIRECTOR (Resolution 2)

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

*"That Mr John Rowe, being eligible, be re-elected as a Director."*

###### Item 4 – ADOPTION OF REMUNERATION REPORT (Resolution 3)

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

*"That the Remuneration Report for the year ended 30 June 2015 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Company or the Directors. However, the Board is obliged to take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Company will disregard any votes cast on Resolution 3 by or on behalf of:

- a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report (and their Closely Related Parties) in any capacity; and
- b) a member of the Key Management Personnel (and their Closely Related Parties) acting as a proxy

unless the vote is cast:

- as proxy for a person who is entitled to vote in accordance with a direction on the proxy form; or
- by the person chairing the Meeting as proxy for a person who is entitled to vote and the person chairing the meeting has received express authority to vote undirected proxies as such person sees fit.

#### **Item 5 – GRANT OF FY2016 PERFORMANCE RIGHTS TO PETER HAROLD (Resolution 4)**

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

*"That, for the purposes of ASX Listing Rule 10.14, approval is given for the grant of FY2016 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 FY2016 Performance Rights under the 2010 Panoramic Resources Limited Employee Share Plan ("2010 ES Plan") on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

In accordance with the ASX Listing Rules and the *Corporations Act 2001*, the Company will disregard any votes cast on Resolution 4 by Peter Harold or any associate of Mr Harold. However the Company need not disregard a vote cast on Resolutions 4 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.

#### **Item 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN CONSTITUTION (Resolution 5)**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Section 648G(4) of the Corporations Act 2001 (Cth), the proportional takeover provisions under Article 6 of the Company's Constitution be renewed and adopted for a further three years".*

By Order of the Board



**Mr Trevor Eton**

**Company Secretary**

Dated: 13 October 2015

#### **NOTES**

##### **REMUNERATION REPORT**

Shareholders who have elected not to receive the Company's 2015 Annual Report (which includes the Remuneration Report) may obtain a copy of the Remuneration Report by contacting the Company on telephone (+61 8) 6266 8600 or, alternatively, by downloading a copy from the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com).

##### **EMPLOYEE SHARE PLAN**

Shareholders may obtain a copy of the full terms of the 2010 Panoramic Resources Limited Employee Share Plan ("**2010 ES Plan**") 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:

- by mail (in the envelope provided), or
- by facsimile at the number quoted.

Alternatively, proxy votes may be submitted online via the Computershare InvestorVote facility by following the instructions given on the Proxy Form.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the items of business by marking either "For", "Against" or "Abstain" for those items of business.

##### **How the Chairman of the Meeting will Vote Undirected Proxies**

The Chairman of the Meeting will vote undirected proxies in favour of all items of business.

## **Voting Exclusions**

The Company's Key Management Personnel and their Closely Related Parties (other than in limited circumstances where they are acting as proxy) are excluded from voting on Item 4 – Remuneration Report (Resolution 3).

Peter Harold or any associate of Mr Harold (other than in limited circumstances where they are acting as proxy) are excluded from voting on Item 5 – Grant of FY2016 Performance Rights to Peter Harold (Resolution 4).

Where you have appointed the Chairman of the Meeting as your proxy (or the Chairman becomes your proxy by default), you expressly authorise the Chairman to exercise your proxy on Resolution 3 (other than where you have indicated a different voting intention on the Proxy Form) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

## **CUSTODIANS AND NOMINEES**

For Intermediary Online subscribers only (Custodians & Nominees), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions. Proxy Forms must be received by Computershare at least 48 hours prior to the meeting, that is, by 10.00am (WST) on Wednesday, 18 November 2015.

A Shareholder entitled to attend and vote at the 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 members as at 10.00am (WST) on Wednesday, 18 November 2015.



# PANORAMIC

## RESOURCES LTD

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 2015 Annual 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.

Resolution 5 is a special resolution; all other resolutions are ordinary resolutions. Ordinary resolutions require approval by a simple majority of votes cast by Shareholders present (either in person, or by representative or proxy) and entitled to vote on the resolution, in order to be passed. Special resolutions require approval of at least 75% of the votes cast by Shareholders present (either in person, or by representative or proxy) and entitled to vote on the resolution, in order to be passed.

#### **BUSINESS OF THE MEETING**

##### **ITEM 1 – RECEIPT OF ANNUAL FINANCIAL REPORT**

The Corporations Act requires the Company to lay its Annual Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the reports.

The Company's Auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

##### **ITEM 2 – ELECTION OF MR PETER SULLIVAN AS A DIRECTOR (RESOLUTION 1)**

ASX Listing Rule 14.4 and Article 10.7 of the Company's Constitution require that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must not hold office (without re-election) past the next Annual General Meeting following his or her appointment. Mr Sullivan was appointed by the Board since the last Annual General Meeting on 21 November 2014.

Mr Sullivan was appointed as a Non-Executive Director of the Board on 1 October 2015 and retires from office in accordance with this requirement and, being eligible, offers himself for re-election. Mr Sullivan makes no recommendation in relation to Resolution 1.

Mr Sullivan is an engineer and mining executive and has been involved in the development of resource companies and projects for over 20 years. Mr Sullivan holds an engineering degree from the University of Western Australia (UWA) and an MBA from the Australian Graduate School of Management. His work experience includes periods in project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. Peter has considerable experience in the management and strategic development of resource companies. Until 30 June 2015, he was the Chief Executive Officer of gold producer, Resolute Mining Limited (ASX: RSG).

Mr Sullivan is currently a non-executive director of Resolute Mining Limited, GME Resources Limited (ASX: GME) and is the non-executive Chairman of both PAN Pacific Petroleum NL (ASX: PPP) and Zeta Resources Limited (ASX: ZER) ("Zeta"). Zeta is a resources focussed holding and development company that invests in listed and unlisted entities, and is advised by its investment manager, ICM Limited ("ICM"). Zeta's strategy is to maximise total returns for shareholders by identifying and investing in assets and companies where the underlying value is not reflected in the market price. Zeta invests in a range of resources companies, including those focused on oil and gas, gold and base metals exploration and production. Zeta and ICM hold a combined ~64 million shares in the Company, representing ~19.8% of the Company's issued capital.

The Board reviews its composition as required to ensure that the Board has the appropriate mix of commercial, financial and mining skills, technical expertise, industry experience and diversity.

Mr Sullivan has had a distinguished career in the mining industry and is well known in the industry. The Company looks forward to the significant contribution he will make on the Board, including any Sub-committee of the Board.

#### **Board recommendation**

The Board recommends the election of Mr Sullivan as a Director of the Company.

#### **ITEM 3 – RE-ELECTION OF MR JOHN ROWE AS A DIRECTOR (RESOLUTION 2)**

In accordance with the ASX Listing Rules and Article 10.3(b) of the Company's Constitution, the Company is required to hold an election of Directors each year at its Annual General Meeting.

In accordance with ASX Listing Rules and the Company's Constitution, Mr Rowe retires by rotation as a Director and, being eligible, offers himself for re-election as a Director of the Company.

Mr John Rowe has been a Non-Executive Director since 5 December 2006 and is a member of the Company's Audit, Remuneration and Environment, Safety and Risk Committees.

Further details on Mr Rowe can be found in the Directors' Report of the 2015 Annual Report and on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com).

#### **Board recommendation**

The Board (excluding Mr Rowe) recommends the re-election of Mr Rowe as a Director of the Company.

#### **ITEM 4 – ADOPTION OF REMUNERATION REPORT (RESOLUTION 3)**

The Remuneration Report details the Company's policy on the remuneration of Non-Executive Directors, the Managing Director and Senior Executives and is set out on pages 27 to 38 of the Directors' Report in the Company's 2015 Annual Report, which is available on the Company's website at [www.panoramicresources.com](http://www.panoramicresources.com).

The Corporations Act requires that a resolution for the adoption of the Remuneration Report be put before Shareholders at each Annual General Meeting. However, such a Resolution is advisory only and does not bind the Directors or the Company.

Under changes to the Corporations Act which came into effect on 1 July 2011, requirements were introduced with regard to voting on the adoption of Remuneration Reports at Annual General Meetings. These changes have been commonly referred to as the "two strikes test". If at least 25% of the votes cast on the Resolution are against the adoption of the Remuneration Report at the Company's Annual General Meeting ("**first AGM**"), this constitutes the "first strike".

The Resolution is advisory only and does not bind the Directors or the Company and the Remuneration Report is adopted at that AGM, if passed by a simple majority of votes cast by Shareholders.

A 'no' vote of 25% or more at the first AGM obliges the Company to take into consideration the feedback from Shareholders when preparing the Remuneration Report for the following year. The Remuneration Report will need to explain whether Shareholders' feedback has been taken into account and, if so, how. If not, the Remuneration Report will need to explain why the feedback from Shareholders has not been taken into account.

If, at the subsequent Annual General Meeting held the following year ("**second AGM**"), Shareholders again cast 25% or more votes against adopting the Remuneration Report for that year, this constitutes the "second strike" which then triggers further requirements of the Company at the same AGM.

Following the second strike, the Company will be required to put to Shareholders, at the second AGM, a separate Resolution proposing the calling of a General Meeting to consider the appointment of Directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders then vote in favour of the Spill Resolution at the second AGM, the Company must convene a General Meeting of Shareholders ("**Spill Meeting**") within 90 days of that AGM to consider the re-election of each Non-Executive Director of the Company.

All of the Directors who were in office at the time of the Company's second AGM, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons elected or re-elected as Directors will be the Directors of the Company.

Shareholders will be given the opportunity to ask questions and to make comments on the 2015 Remuneration Report.

As notified in the Company's ASX announcement of 2 October 2015, as from 1 October 2015, the remuneration of a Non-Executive Director, on an annual basis, has been reduced by 11.21% to \$100,000 (previously \$112,630 per annum) and the remuneration of the Non-Executive Chairman, on an annual basis, has been reduced by 13.36% to \$140,000 (previously \$161,597). These reductions were approved by the Board as part of the Company-wide review of staffing levels and salary rates in September 2015 in light of the continuing weakness in the nickel industry.

### **Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of adopting the 2015 Remuneration Report.

### **ITEM 5 – GRANT OF FY2016 PERFORMANCE RIGHTS TO PETER HAROLD (RESOLUTION 4)**

Resolution 4 seeks Shareholder approval for the grant of FY2016 Performance Rights to Peter Harold (and/or his nominee) 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 LTI forms a key component of Mr Harold's total remuneration. A significant portion of his total remuneration is placed at risk to better align his interests with Shareholders, to encourage the achievement of long-term sustainable growth and to incentivise him to remain as the Company's Managing Director.

It is proposed that FY2016 Performance Rights will be granted to Mr Harold 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.

### **Grant of FY2016 Performance Rights under the 2010 ES Plan**

Under ASX Listing Rule 10.14, the Company must obtain Shareholder approval in order to grant FY2016 Performance Rights, and to issue Shares on the exercise of the FY2016 Performance Rights, to Mr Harold (and/or his nominee).

#### LTI Dollar Value

The value of Performance Rights to be granted to Mr Harold has been determined with reference to contemporary market practice. For FY2016, the Board has determined that the LTI dollar value of the LTI grant to Peter Harold will be equivalent to 50% of his Fixed Remuneration (base salary plus statutory superannuation) at 1 July 2015, which equals \$303,041. This is a variation to the allocation last year (FY2015 Performance Rights) in which the LTI dollar value of the LTI grant to Mr Harold was equivalent to 100% of his Fixed Remuneration, which equalled \$606,083 at 1 July 2014.

#### 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 4, the grant date for calculation of the FV of the FY2016 Performance Rights will be 20 November 2015. 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 4 is approved by Shareholders, will be disclosed subsequently in an Appendix 3Y Notice to the ASX and in the Company's 2016 Remuneration Report published within the 2016 Directors' Report in August 2016.

To assist Shareholders as to the indicative number of Performance Rights to be granted to Mr Harold, the Company has sought an independent valuation of the FV of one Performance Right, as at 30 September 2015. The independent valuer has determined an indicative FV of \$0.2125 per Performance Right. Assuming a FV of \$0.2125, the quantum of Performance Rights to be granted to Peter Harold would be 1,426,076.

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 2015 to the vesting date. The total of the LTI dollar value of the FY2016 Performance Rights to be expensed over the 3 year Performance Period is \$303,041.

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.

#### 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 FY2016 grant of Performance Rights, comprises the following companies:

- |                               |                           |
|-------------------------------|---------------------------|
| ▪ Altona Mining Limited       | ▪ Mincor Resources NL     |
| ▪ Aurelia Metals Limited      | ▪ Rex Minerals Limited    |
| ▪ CuDeco Limited              | ▪ Sandfire Resources NL   |
| ▪ Heron Resources Limited     | ▪ Independence Group 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 50<sup>th</sup> percentile.

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

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



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

<b>Reserves and Resources Growth Performance</b>	<b>% of Performance Rights vesting (out of 25% able to vest under Reserve and Resource Growth Performance Hurdle)</b>
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 resetting 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, as with the grant of his FY2015 Performance Rights, the grant of the FY2016 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 4 is provided below:

- (a) the maximum number of FY2016 Performance Rights to be granted to Mr Harold, and the maximum number of Shares which can be issued on exercise of such Performance Rights, be determined by reference to the allocation methodology formula as outlined above, and in any event no greater than 1,450,000;
- (b) Mr Harold will not be required to pay any amount on the grant or exercise of the FY2016 Performance Rights. The grant of FY2016 Performance Rights will have Performance Hurdles attached;
- (c) since 1 July 2014, Mr Harold has been granted 904,601 FY2015 Performance Rights for nil cash consideration. The vesting day for the FY2015 Performance Rights is 30 June 2017;
- (d) the following persons referred to in Listing Rule 10.14 are, subject to Resolutions 4 being approved, entitled to participate in the 2010 ES Plan - Mr Harold and/or his permitted nominees;
- (e) a voting exclusion statement is included in this Notice of Meeting;
- (f) no loan will be provided to Mr Harold for him to acquire the FY2016 Performance Rights under the 2010 ES Plan or to acquire any Shares on exercise of the FY2016 Performance Rights;
- (g) any securities issued to Mr Harold under the 2010 ES Plan have, and 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;
- (h) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the 2010 ES Plan, who were not named in this Notice of Meeting, will not participate in the 2010 ES Plan until approval is obtained under Listing Rule 10.14; and
- (i) the Company intends to grant the FY2016 Performance Rights to Mr Harold within 3 months of the date of Shareholder approval, but in any event, no later than 31 December 2015.

## **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 4. Accordingly, the Company will disregard any votes cast on this Resolution 4 by any Director of the Company or any of their associates. However, the Company need not disregard a vote cast on this Resolution 4 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 4.

## **ITEM 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN CONSTITUTION (RESOLUTION 5)**

Under Section 648D of the Corporations Act, a company may include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer. The provision ceases to have effect on the third anniversary of its adoption. The provision in Article 6 of the Company's Constitution was previously renewed by a vote of Shareholders at the Annual General Meeting of the Company held on 21 November 2012. The Directors consider that it is appropriate to renew the Article for a further term of three years, as provided under Section 648G(4) of the Corporations Act.

### **Proportional takeover bids**

A proportional takeover bid is an off-market takeover offer sent to all Shareholders but only in respect of a specified portion of each Shareholder's shares in the Company (ie: less than 100%). Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of the Shareholder's shares in the Company and retain the balance of the shares.

In accordance with Section 648G(5) of the Corporations Act, the Company makes the following statements.

### **Effect of proposed proportional takeover provision**

The effect of the Article is that, if a proportional takeover bid is made to Shareholders, the Directors are obliged to convene a general meeting of Shareholders to be held 15 days or more before the offer closes. The purpose of the meeting is to vote upon a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates. If no such resolution is voted on within the required timeframe, the resolution is deemed to have been approved. This, in effect, means that Shareholders as a body may only prohibit a proportional takeover bid by rejecting such a resolution. If the resolution is approved or deemed to have been approved, transfers of shares under the proportional takeover bid (provided they are in all other respects in order for registration) must be registered. If the resolution is rejected, registration of any transfer of shares resulting from that proportional takeover bid are prohibited and the offer is deemed by the Corporations Act to have been withdrawn. The renewed Article 6 will expire three years after its adoption unless renewed by a further special resolution of Shareholders. A proportional takeover provision does not apply to full takeover bids.

### **Reasons for proposing the resolution**

The Directors consider that Shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid may result in effective control of the Company changing hands without Shareholders having the opportunity of disposing of all their shares. Shareholders could be at risk of passing control to the offeror without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the Company. The renewed Article 6 can prevent this occurring by giving Shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

### **Presently proposed acquisitions**

As at the date of these Explanatory Notes, the Directors of the Company are not aware of a proposal by any person to acquire or increase the extent of a substantial interest in the Company.

## **Potential advantages and disadvantages for the Directors and Shareholders**

The Directors consider that it is a potential advantage to all Shareholders that they have the opportunity to consider and vote upon any proposed proportional takeover bid. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting, excluding the shares of the offeror and its associates. The existence of the Article is likely to cause an intending offeror to formulate its offer in a way that would be attractive to a majority of Shareholders. It may also have the effect of not allowing control of the Company to pass without payment of a control premium. The Directors consider that it would be an advantage to the Directors to have the opportunity to ascertain the views of Shareholders on any proportional takeover bid.

As to the possible disadvantages of such an Article, it may be perceived by some Shareholders that its presence makes a proportional takeover bid less likely to succeed and that, therefore, the chances of receiving an opportunity to dispose of part of their shares would be reduced because potential offerors may be discouraged from making a proportional takeover bid. This may be thought to potentially remove or reduce any speculative element of the market price of the Company's shares arising from the possibility of a proportional takeover bid. The Directors do not consider that there are any disadvantages specific to the Directors in relation to the Article, as applicable to its renewal.

During the period in which the previous proportional takeover provision was in effect, the advantages and disadvantages set out above have applied.

### **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of approving the renewal of Article 6 of the Company's Constitution.

### ***Voting Exclusions***

*Voting exclusion statements are included in the Notice of Meeting.*

### **Enquiries**

Shareholders are invited to contact Mr Trevor Eton, Company Secretary, on telephone (+61 8) 6266 8600 if they have any queries in respect to the matters set out in these documents.

## GLOSSARY

“**Accounting Standards**” has the meaning given to that term in the Corporations Act;

“**AGM**” means the Annual General Meeting of the Company;

“**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;

“**Auditor**” means any persons appointed to perform the duties of auditor of the Company 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;

“**Closely Related Parties**” has the meaning given in the Corporations Act and includes spouses, children and dependants of Key Management Personnel;

“**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);

“**Directors**” means the directors 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);

“**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”** means the meeting which is the subject of the Notice;

**“Notice”** means the Notice of 2015 Annual General Meeting which accompanies this Explanatory Memorandum;

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

**“Peer Group”** mean 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;

**“Remuneration Report”** and **“2015 Remuneration Report”** means the 2015 Remuneration Report which forms part of the Directors’ Report and is contained in the Company’s 2015 Annual Financial Report;

**“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;

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

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

**“Shareholder”** means a person whose name is entered in the Company’s register of members;

**“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;

**“2010 ES Plan”** means the 2010 Panoramic Resources Limited Employee Share Plan; and

**“WST”** means Western Australian Standard Time.

## SCHEDULE 1

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

#### **Background**

The 2010 ES Plan was originally approved by Shareholders on 3 September 2010. On 30 July 2014, further necessary approvals were given for the grant of Performance Rights, and the issue of Shares on the exercise of those Performance Rights, under the 2010 ES Plan and to give retirement benefits.

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 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.





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**Proxy Form**

**XX**



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**Your access information that you will need to vote:**

**Control Number: 138284**

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 (WST) Wednesday, 18 November 2015**

**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 or abstain as they choose (to the extent permitted by law). 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](http://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 →**

**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.

# 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 Annual General Meeting of Panoramic Resources Limited to be held at the Fremantle Room, Parmelia Hilton, 14 Mill Street, Perth, Western Australia on Friday, 20 November 2015 at 10:00am (WST) 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 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 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 3 and 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.

		For	Against	Abstain
Resolution 1	Election of Mr Peter Sullivan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Rowe as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of FY2016 Performance Rights to Mr Peter Harold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Renewal of Proportional Takeover Provisions in Constitution	<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. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## 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 / / \_\_\_\_\_