



OFF-MARKET TAKEOVER BID FOR PANORAMIC RESOURCES

Independence Group NL (ASX:IGO) (IGO or the Company) is pleased to announce its intention to make an off-market takeover offer (Offer) to acquire all of the ordinary shares of Panoramic Resources Limited (ASX:PAN) (Panoramic) it does not already own (Panoramic Shares).

Highlights

- IGO's Offer is 1 IGO Share for every 13 Panoramic Shares held
- The implied Offer Price is 47.6 cents per Panoramic share (based on IGO's one month VWAP up to and including 1 November 2019) which implies an equity value of approximately A\$312M
- This Offer Price represents an attractive and significant premium compared to Panoramic's trading levels prior to the date of this announcement:
 - 42% to the closing price of Panoramic Shares on 1 November 2019, being the last trading day before the Announcement Date
 - 51% to the 1-month VWAP of Panoramic Shares up to and including 1 November 2019 and
 - 52% to the 2-month VWAP of Panoramic Shares up to and including 1 November 2019
- There are a number of very compelling reasons for Panoramic shareholders to **ACCEPT the Offer**. By accepting IGO's Offer, Panoramic shareholders will (subject to the Offer becoming unconditional):
 - Receive a very attractive premium of 42% to the last closing price of Panoramic Shares before the date of this Bidder's Statement and 51% to the one month VWAP
 - De-risk their investment in Panoramic within a stronger, larger, more diversified and liquid vehicle
 - Unlock enhanced operational and exploration potential through IGO's strong technical, financial and operating capability
 - Retain and enhance exposure to attractive nickel market dynamics
 - Benefit from IGO's attractive shareholder returns policy
 - Potentially benefit from access to CGT scrip for scrip rollover relief
- The Offer is subject to the conditions set out in Appendix A (Offer Conditions).

Background to the Offer

IGO has chosen to present this Offer directly to Panoramic shareholders following a number of unsuccessful attempts to engage with the Panoramic Board on a change of control transaction.

Given Panoramic's recent operational performance (as more fully detailed in Panoramic's 3 September 2019 update on Savannah and Quarterly Report released on 31 October 2019) and the lack of engagement from Panoramic's Board to date, the conditions to the Offer (set out in Appendix A) include a number of conditions that are necessary to confirm the current status of operating performance at Savannah and support IGO's Offer.

IGO's strong preference is to conduct an expedited and thorough due diligence process, and to proceed with a recommendation from the Panoramic Board rather than seek the confirmations required under the Offer conditions, however IGO is prepared to see the Offer to completion should the Offer conditions be satisfied.

The Offer represents, in IGO's view, the best opportunity for Panoramic's shareholders to crystallise and de-risk meaningful value from their investment in Panoramic in the foreseeable future.



As at the date of this ASX release, IGO has a relevant interest in 24,920,325 shares, representing approximately 3.8% of the total issued capital of Panoramic.

Further details regarding the Offer are set out in IGO's Bidder's Statement, which will be released following this announcement and is currently expected to be despatched to Panoramic shareholders in mid-November 2019. The Bidder's Statement sets out important information, including how to accept the Offer, information about IGO, and the key reasons why Panoramic Shareholders should **ACCEPT the Offer**.

IGO's Strategy

The Offer is consistent with IGO's strategic focus on metals critical to clean energy (including nickel and copper).

IGO has a proven track record of successful mine development and operational performance, having developed the world-class Nova underground mine on-time and on-budget within five years of discovery, followed by the successful commissioning, ramp-up and commercial production. IGO's extensive capability and expertise in underground mining and processing of nickel sulphides and exploration for nickel sulphides places IGO in an ideal position to unlock value from both the Savannah operation and Panoramic's exploration portfolio and to deliver this value to Panoramic's shareholders through this Offer and future dividends.

Peter Bradford, IGO's Managing Director & CEO said: *"The Offer represents a rare instance of genuine and obvious mutual benefit for both Panoramic and IGO shareholders. Panoramic shareholders will be able to crystallise future value from Savannah at a very attractive price and retain exposure to its upside potential, while also gaining exposure to Nova and Tropicana and IGO's extensive portfolio of belt-scale exploration projects prospective for nickel and copper. The Company remains leveraged to the nickel market and we believe IGO has the financial, operational and technical capability to fully unlock value from Savannah and Panoramic's exploration portfolio. Given our unique positioning as Australia's largest independent producer of nickel, to unlock value at Savannah, we have decided to provide the Offer for the consideration of all Panoramic shareholders."*

Advisors

IGO is advised by Citi as Financial Advisor and Herbert Smith Freehills as Legal Advisor.

Additional information

An information line has been established for the purposes of the Offer. Shareholders can contact the Offer Information Line on 1300 069 335 (within Australia) or +613 9415 4019 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (WST).



Investor call and webcast

An investor call and webcast has been scheduled for 8.00am Perth time (11.00am AEDT), Monday, 4 November 2019. Dial-in details for the call and the webcast link can be found below.

Investor Audio Call

Meeting title: Independence Group Conference Call
Date: 4 November 2019
Conference ID: 10002714
Dial-in Numbers:
Australia Toll Free: 1 800 870 643 / 1 800 809 971
Australia Local Number: +61 2 9007 3187

Belgium	0800 72 111	Norway	800 69 950
Canada	1855 8811 339	Philippines	1800 1110 1462
China Wide	4001 200 659	Singapore	800 101 2785
France	0800 913 848	South Korea	00 798 142 063 275
Germany	0800 182 7617	Sweden	020 791 959
Hong Kong	800 966 806	South Africa	800999976
India	0008 0010 08443	Switzerland	800820030
Indonesia	001 803 019 3275	Taiwan	008 0112 7397
Ireland	1800 948 625	Thailand	001800 156 206 3275
Italy	800 793 500	UAE	8000 3570 2705
Japan	0053 116 1281	United Kingdom	0800 051 8245
Malaysia	1800 816 294	United States	1855 8811 339
New Zealand	0800 453 055		

Webcast Details

To listen in live, please click on the link below and register your details:

<https://webcasting.boardroom.media/broadcast/5db8f469e91cf4152145e8bb>

Please note it is best to log on at least 5 minutes before 11am AEST (8am WST) on Monday morning, 4 November 2019 to ensure you are registered in time for the start of the presentation.

Investors are advised that, in addition to the live webcast, a recording of the presentation will be available on the IGO website www.igo.com.au approximately one hour after the conclusion of the webcast.

Investor and Media enquiries

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Annexure – Offer conditions

The completion of the Offer and any contract that results from an acceptance of the Offer, are subject to the fulfilment of the conditions set out below:

(a) Minimum acceptance

At the end of the Offer Period, IGO has relevant interests in at least 50.1% of the Panoramic Shares (on a fully diluted basis).

(b) Acquisitions and disposals

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Panoramic nor any of its subsidiaries:

- (1) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, for an amount in aggregate greater than \$5 million; or
- (2) disposes of, or enters into or announces any agreement for the disposal of, any tenement or any interest in any tenement.

(c) No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any member of the Panoramic Group which may reasonably result in a judgement of \$1 million or more is commenced, is threatened to be commenced, is announced, or is made known to IGO (whether or not becoming public) or Panoramic, other than that which is in the public domain as at the Announcement Date.

(d) No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (2) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (3) no application is made to any Public Authority (other than by IGO or any associate of IGO),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by this Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in section 7 of the Bidder's Statement) or which requires the divestiture by IGO of any Shares or any material assets of Panoramic or any subsidiary of Panoramic.

(e) IGO share price

The value of an IGO Share (when valued in connection with the Offer for the purposes of section 621(3) of the Corporations Act, as modified by *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068*) is not below the maximum consideration that IGO or an associate provided, or agreed to provide for a Share under any purchase or agreement during the 4 months before the date of the Offer, multiplied by 13.

(f) No prescribed occurrences

Between the Announcement Date and the date 3 business days after the end of the Offer Period, none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Panoramic converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Panoramic or a subsidiary of Panoramic resolving to reduce its share capital in any way;
- (3) Panoramic or a subsidiary of Panoramic entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) Panoramic or a subsidiary of Panoramic making an issue of Shares or granting an option over the Shares or agreeing to make such an issue or grant such an option;
- (5) Panoramic or a subsidiary of Panoramic issuing, or agreeing to issue, convertible notes;
- (6) Panoramic or a subsidiary of Panoramic disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property (excluding, for the avoidance of doubt, the disposal of the shares in Panoramic PGMs Canada Limited as previously announced by Panoramic);
- (7) Panoramic or a subsidiary of Panoramic granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Panoramic or a subsidiary of Panoramic resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Panoramic or a subsidiary of Panoramic;
- (10) the making of an order by a court for the winding up of Panoramic or a subsidiary of Panoramic;
- (11) an administrator of Panoramic or a subsidiary of Panoramic being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Panoramic or a subsidiary of Panoramic executing a deed of company arrangement; or
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Panoramic or a subsidiary of Panoramic.

(g) No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), Panoramic does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(h) Production guidance

Between the Announcement Date and the end of the Offer Period (each inclusive), Panoramic does not announce that its FY20 forecast production guidance for Savannah as set out in Panoramic's announcement of 3 September 2019 titled 'Savannah Operations Updated & Further Amendments to Project Loan Facility' has been, or is expected to be, revised downwards.

(i) Savannah Financing Agreement

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is no breach of, or any event of default, cancellation event, prepayment event or similar event under the Savannah Financing Agreement;
- (2) there are no amendments made to, or waivers, standstills or similar indulgences granted by the lender under (including, without limitation, in respect of any financial covenants) the Savannah Financing Agreement; and
- (3) no notices or demands have been served on Panoramic or any member of the Panoramic Group in relation to default or non-compliance under the Savannah Financing Agreement.

(j) No persons entitled to exercise or exercising rights under certain agreements or instruments

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no person entitled to exercise, exercising or purporting to exercise, stating an intention to exercise (whether or not that intention is stated to be a final or determined decision of that person), or asserting a right to exercise, any rights under any provision of any agreement or other instrument to which Panoramic or any member of the Panoramic Group is a party, or by or to which Panoramic or any member of the Panoramic Group or any of its assets or businesses may be bound or be subject, which results, or could result, to an extent to which is material in the context of the Panoramic Group taken as a whole, in:

- (1) any moneys borrowed by Panoramic or any member of the Panoramic Group being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- (2) any such agreement or other such instrument being terminated or modified or any action being taken or arising thereunder;
- (3) the assets of Panoramic or any member of the Panoramic Group being sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions; or
- (4) the business of Panoramic or any member of the Panoramic Group with any other person being adversely affected.

(k) Equal access

Between the Announcement Date and the end of the Offer Period, Panoramic promptly, and in any event within two Business Days, provides to IGO a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Panoramic or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by Panoramic or any of its directors, officers, agents or representatives to any person other than IGO, other than in the ordinary course of ordinary business, including (without limitation) for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (1) a takeover bid for, or scheme of arrangement proposed by, Panoramic, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Panoramic;
- (3) any transaction having a similar economic effect to a transaction contemplated by paragraph (1) or (2) above; or
- (4) the acquisition by that person or an associate of any interest in Savannah.

(l) Technical Expert report

Commencing no later than the fifth Business Day after the date of IGO's Statement, either Snowden Group or SRK Consulting (the **Technical Expert**) is provided by Panoramic with access to Savannah at such time as Savannah is in operation (including, but not limited to, relevant operational sites, operating information and management personnel involved in Savannah) for the purposes of enabling the Technical Expert to conduct an investigation into the past and prospective performance of Savannah so that the Technical Expert may complete the investigation and report to Panoramic (at Panoramic's cost, with a copy of such report being provided to IGO and the report (or all aspects of the report that a reasonable person would expect to have a material effect on the price of Shares) being released by way of an announcement to ASX), on or before the Assessment Date, that in the opinion of the Technical Expert (acting reasonably):

- (1) the surface infrastructure, property, plant and equipment at Savannah are capable of operating at 1 million tonnes per annum;
- (2) the underground operations at Savannah are capable of delivering the volume of ore to the Savannah mill as presented in Figure 3 of the "Updated Savannah Feasibility Study" released by Panoramic on 27 October 2017 (the Updated FS);



- (3) Savannah is capable of producing metal in concentrate as presented in Figure 4 of the Updated FS;
- (4) Savannah's remaining life of mine is consistent with the life of mine presented in Figure 4 of the Updated FS after accounting for production since Savannah's recommencement of mining in late 2018; and
- (5) the tailings storage facility at Savannah has been developed and is being in maintained in accordance with the mandatory requirements of the "Code of Practice for Tailings Storage Facilities in Western Australia" issued by the Department of Mines and Petroleum and the "Guidelines on Tailings Dams – Planning, Design, Construction, Operation and Closure" issued by the Australian National Committee on Large Dams Incorporated, in each case as in effect as at the date of this Offer.

(m) Target's Statement confirmations

Panoramic states, after due enquiry, in its target's statement in response to the Offer (**Target's Statement**) or in an announcement to ASX before the date of the Target's Statement, which statement is expressed to be made with the approval of the directors of Panoramic, that:

- (1) the mining of development ore from Savannah North has commenced and the date on which it commenced (or, if the Target's Statement is released before the end of November 2019, Panoramic releases an announcement to ASX prior to the end of November 2019 confirming that the mining of development ore from Savannah North has commenced);
- (2) Panoramic's FY20 forecast production guidance for Savannah is as set out in Panoramic's announcement of 3 September 2019 titled 'Savannah Operations Updated & Further Amendments to Project Loan Facility';
- (3) there has been no change to the statement in the Updated FS that the average sustaining cash costs of Savannah, over the life of mine, are no greater than US\$3.50 per payable pound (at the same assumptions used in the Updated FS);
- (4) Panoramic is in material compliance with all applicable approvals, permits and licences that are material to the operation of Savannah;
- (5) Panoramic and each member of the Panoramic Group are in compliance with the Savannah Financing Agreement and that no waivers, standstills or similar indulgences have been granted by the lender under the Savannah Financing Agreement subsequent to its amendment on 2 September 2019;
- (6) there are no outstanding claims made by Panoramic or any member of the Panoramic Group (or any person on behalf of Panoramic or any member of the Panoramic Group) under an insurance policy held by Panoramic or a member of the Panoramic Group;
- (7) neither Panoramic nor any member of the Panoramic Group is subject to a threatened or outstanding claim by any person for an amount greater than \$1 million; and
- (8) Panoramic is able to continue as a going concern without the requirement to raise any additional capital,

and each such statement is not varied, revoked or qualified before the end of the Offer Period.

(n) Capital expenditures

Between the Announcement Date and the end of the Offer Period (each inclusive), Panoramic does not:

- (1) incur, commit to incur or announce a requirement to incur an amount of capital expenditure in excess of \$5 million; or
- (2) announce the happening of an event that would require an amount of capital expenditure in excess of \$5 million to remedy the effects of such event,
- (3) other than:



- (4) capital expenditure that has been announced by Panoramic before the Announcement Date as intended to be incurred or committed (including in the Updated FS); or
- (5) capital expenditure in the day-to-day operating activities of the business of Panoramic and its subsidiaries conducted in the same manner as before the Announcement Date.

(o) No material adverse change

(1) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (A) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (B) information is disclosed or announced by Panoramic concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (C) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Bidder (whether or not becoming public),

(each of (A), (B) and (C) a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (D) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Panoramic Group taken as a whole; or
- (E) without limiting the generality of clause (o)(1)(D);
 - (i) the effect of a diminution in the value of the consolidated net assets of the Panoramic Group, taken as a whole, by at least \$5 million against what it would reasonably have been expected to have been but for such Specified Event; or
 - (ii) the effect of a diminution in the consolidated earnings before interest and tax of the Panoramic Group, taken as a whole, by at least \$2.5 million in any financial year for Panoramic Group against what they would reasonably have been expected to have been but for such Specified Event.

(2) For the purposes of clause (o)(1), IGO shall not be taken to know of information concerning any event, change, condition, matter or thing before the Announcement Date, unless the information has been disclosed by the Target in its public filings with the ASX before the Announcement Date.

Definitions

\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
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Announcement Date	the date of the announcement of the Offer by IGO, being 4 November 2019.
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Assessment	the date that is 6 weeks after the Announcement
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Date	Date.
ASX	as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.
Bidder's Statement	the statement of IGO under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	a day on which banks are open for business in Perth, Australia, excluding a Saturday, Sunday or public holiday.
FY20	the financial year ending 30 June 2020.
IGO	Independence Group NL ABN 46 092 786 304.
IGO Shares	fully paid ordinary shares in the capital of IGO.
Offer	the offer for Shares under the terms and conditions contained in the Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance, as set out in the Bidder's Statement.
Panoramic	Panoramic Resources Limited ABN 47 095 792 288.
Panoramic Group	Panoramic and each of its subsidiaries.
Panoramic Shares or Shares	fully paid ordinary shares in the capital of Panoramic.
Public Authority	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.



**Savannah
Financing
Agreement**

the agreement between Panoramic (and any of its subsidiaries) and Macquarie Bank Limited (and any of its subsidiaries) for the provision of financial accommodation to Panoramic and referred to by Panoramic in its ASX announcement titled 'Savannah Project Restart Update' dated 21 September 2018.

Savannah North

the orebody referred to by Panoramic in its ASX announcements as the 'Savannah North' orebody and forming part of the Savannah Project.

**Savannah or
Savannah
Project**

the mining and processing operation referred to by Panoramic in its ASX announcements as the Savannah Project, located in Western Australia and described in the Panoramic 2019 Annual Report as comprising (without limitation) the following tenements L80/64, M80/179, M80/180, M80/181, M80/182, M80/183, L80/52, L80/86 and M80/540.

Security Interest

has the same meaning as in section 51A of the Corporations Act.

US\$

United States dollars, the lawful currency of the United States of America.
