



ABN 47 095 792 288

NOTICE OF GENERAL MEETING

INCLUDING

EXPLANATORY MEMORANDUM

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

Date of Meeting

Monday, 29 June 2020

Time of Meeting

11.00am (WST)

Place of Meeting

Level 9, 553 Hay Street, Perth, WA 6000

**DUE TO CURRENT COVID-19 SOCIAL DISTANCING RESTRICTIONS
SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.**

Shareholders are urged to vote by lodging the proxy form attached to the Notice.

If COVID-19 social distancing restrictions are eased prior to the Meeting, the Company will release an announcement to advise whether Shareholders can attend in person.

INDEPENDENT EXPERT'S REPORT: Panoramic Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of Resolution 1 to the non-associated Panoramic Shareholders. The Independent Expert has determined the transaction the subject of Resolution 1 is fair and reasonable.



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 at Level 9, 553 Hay Street, Perth, WA on Monday, 29 June 2020 at 11.00am (WST) for the purpose of transacting the following business (**Meeting**).

Special note: As a result of the COVID-19 pandemic and Government restrictions on public gatherings, it is not currently possible to host shareholders and members of the public in person at the Meeting. We encourage you to participate in the Meeting in the manner described further below.

AGENDA

ITEM 1 - Proposed sale of Horizon Shares to Zeta (Resolution 1)

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

“That, for the purpose of Listing Rule 10.1 and for all other purposes, Panoramic Shareholders approve the sale of 17,183,580 Horizon Shares to Zeta on the terms and conditions set out in the Explanatory Memorandum.”

Independent Expert’s Report: Panoramic Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Panoramic Shareholder approval under Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the Second Horizon Share Sale the subject of this Resolution to the non-associated shareholders of the Company. The Independent Expert has determined the transaction the subject of Resolution 1 is fair and reasonable.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- a) Zeta and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity) or their nominee; or
- b) an Associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a) a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way;
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the chair to vote on Resolution 1 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 1; and
 - b. the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 2 - Proposed issue of Panoramic Options to Zeta or its nominee (Resolution 2)

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

“That, subject to and conditional on Resolution 1 being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Panoramic Shareholders approve the issue of 28,520,525 Panoramic Options to Zeta or its nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- a) Zeta or its nominee and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or their nominee; or
- b) an Associate of that person.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a) a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with directions given to the proxy or attorney to vote on Resolution 2 in that way;
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the chair to vote on Resolution 2 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 2; and
 - b. the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 3 - Proposed issue of Panoramic Options to Zeta or its nominee (Resolution 3)

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

“That, subject to and conditional on Resolution 1 not being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Panoramic Shareholders approve the issue of 50,000,000 Panoramic Options to Zeta or its nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement:

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

- a) Zeta or its nominee and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or their nominee; or
- b) an Associate of that person.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way;
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the chair to vote on Resolution 3 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 3; and
 - b. the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 4 - Approval of potential termination benefits to Mr Victor Rajasooriar (Resolution 4)

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

“That for the purposes of Part 2D.2 of the Corporations Act, and for all other purposes, the potential termination benefits in relation to certain payments under Mr Victor Rajasooriar’s Employment Agreement as described in the Explanatory Memorandum which may become payable to Mr Victor Rajasooriar, be approved.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a) Mr Victor Rajasooriar; or
- b) an Associate of Mr Victor Rajasooriar.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way;
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the chair to vote on Resolution 4 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 4; and
 - b. the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board



Ms Susan Hunter
Company Secretary
Dated: 20 May 2020

NOTES

As a result of the COVID-19 pandemic and Government restrictions on public gatherings, it is not currently possible to host Shareholders and members of the public in person at the Meeting. Instead, Shareholders and guests are invited to attend remotely.

If social distancing restrictions are eased prior to the meeting, the Company will advise via an ASX announcement whether shareholders will be able to attend in person and participate in the usual way.

Shareholders are encouraged to complete and lodge proxies for the Meeting in the manner described below.

All voting will be conducted on a poll.

VOTING BY PROXY

All voting will be conducted by poll using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all shareholders who would like to have their vote counted to either:

- vote by lodging a proxy form prior to 27 June 2020 at 11.00am (AWST) (**Proxy Cut-Off Time**) (recommended); or
- Shareholders who wish to participate and vote at the Meeting should contact the Company at info@panres.com or by phone at +61 8 6266 8600 prior to 11.00am (AWST) on 27 June 2020, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting.

PARTICIPATING AND VOTING AT THE MEETING

How Shareholders can participate:

- (a) Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the meeting.
- (b) Shareholders who intend to participate and vote on a poll at the Meeting must contact the Company at info@panres.com or by phone at +61 8 6266 8600 to notify the Company that you intend to participate and vote on a poll at the Meeting by emailing the Company a poll form. You will also need to register and access the Shareholder Meeting by teleconference to follow the meeting and timing of the poll (see below). After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX in accordance with the Listing Rules.
- (c) Shareholders who have completed a proxy form but have not notified the Company that you intend to participate and vote on a poll at the Meeting will have an opportunity to participate in the meeting through the teleconference facility described below. In this circumstance, the person you have appointed as proxy will cast your vote on your behalf.

QUESTIONS AT THE MEETING

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@panres.com by 11.00am (AWST) on 27 June 2020, and relate to the business of the Meeting only.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

REMOTE ATTENDANCE

The Meeting will be accessible to all Shareholders via a teleconference, which will allow Shareholders to listen and observe the Meeting. To attend the Meeting via teleconference, Shareholders will need to use the pre-registration link below. Once you have completed this you will be provided with dial-in details and a Meeting ID.

Registration link: <https://s1.c-conf.com/diamondpass/10007132-invite.html>

Shareholders should note that the facility will **not** provide for a voting mechanism during the Meeting.

CUSTODIANS AND NOMINEES

For Intermediary Online subscribers only (Custodians & Nominees), please visit 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 11.00am (WST) on Saturday, 27 June 2020 .

CORPORATE REPRESENTATIVES

If your holding is registered in a company name, a corporate securityholder may appoint a person to act as its representative to participate in the teleconference by providing that person with the appropriate 'Appointment of Corporate Representative' (available from the Share Registrar or www.investorcentre.com under the help tab "Printable Forms"). Once completed, this form should be provided to the Company Secretary at info@panres.com prior to the Meeting commencing.

VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that, for the purposes of voting at the Meeting, Panoramic Shareholders will be taken to be those persons recorded on the Company's register of members as at 11.00am (WST) on Saturday, 27 June 2020 .

ADDITIONAL INFORMATION ON MEETING PROCEDURES

On 5 May 2020 the Treasurer of Australia made the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (the Determination), which temporarily modifies certain requirements relating to general meetings under the Corporations Act. The Meeting procedures described in this Notice are consistent with the Determination.

Should you wish to discuss the matters in this Notice please contact the Company Secretary at info@panres.com or via telephone on +61 8 6266 8600.



ABN 47 095 792 288

EXPLANATORY MEMORANDUM

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

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

The Resolutions to be put to shareholders are ordinary resolutions. Ordinary resolutions require approval by a simple majority of votes cast by Panoramic Shareholders present (either in person, or by representative or proxy) and entitled to vote on the resolutions, in order to be passed.

BUSINESS OF THE MEETING

ITEM 1 – Proposed sale of Horizon Shares to Zeta

Independent Expert's Report: Panoramic Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Panoramic Shareholder approval under Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the Second Horizon Share Sale the subject of this Resolution to the non-associated shareholders of the Company. The Independent Expert has determined the transaction the subject of Resolution 1 is fair and reasonable.

Background to the sale of Horizon Shares

On 18 February 2020, Panoramic announced the sale of 20,237,037 Horizon Shares at \$0.27 per Horizon Share to Zeta, which completed on 20 February 2020 (**Initial Horizon Share Sale**). On 30 March 2020, the Company announced the sale of its remaining 18,793,580 Horizon Shares at \$0.20 per Horizon Share. This comprised:

- the sale of 1,610,000 Horizon Shares to sophisticated and professional investors (including Paul Bennett and Peter Venn, being directors of Horizon); and
- the conditional sale of 17,183,580 Horizon Shares to Zeta, on and subject to the terms of the Zeta SPA (**Second Horizon Share Sale**).

On completion of the Second Horizon Share Sale:

- Panoramic will cease being a shareholder in Horizon; and
- there will be no material change in the nature of the Company's main business activities as the Company will continue to focus on the Savannah Project.

Further details regarding the Second Horizon Share Sale are contained in the Company's announcement dated 30 March 2020, and the Independent Expert's Report accompanying this Notice as Attachment A.

On 3 April 2020, the Company announced that it had executed a loan agreement with Zeta (**Zeta Loan**) for a principal amount of \$8 million. Under the Zeta Loan, unless the Zeta Loan has already been repaid by Panoramic, approximately \$3.4 million of the loan principal will be off-set by the transfer of the Horizon Shares under the Second Horizon Share Sale, if the Second Horizon Share Sale is approved by Panoramic Shareholders. The material terms of the Zeta Loan are set out in Schedule 2.

Information requirements - Listing Rules 10.1 and 10.5

Resolution 1 seeks Panoramic Shareholder approval for the purposes of Listing Rule 10.1 and for all other purposes for the proposed sale of the Horizon Shares to Zeta under the Second Horizon Share Sale.

Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to:

- a related party (Listing Rule 10.1.1);
- a child entity (Listing Rule 10.1.2);
- a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holder in the Company (Listing Rule 10.1.3);
- an associate of a person referred to in Listing Rule 10.1.1 to 10.1.3; or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by Panoramic Shareholders (Listing Rule 10.1.5),

unless it obtains the approval of its shareholders.

ASX has advised the Company that it is required to aggregate the Second Horizon Share Sale with the Initial Horizon Share Sale. The value of the Horizon Shares the subject of the Second Horizon Share Sale and the Initial Horizon Share Sale, when aggregated, exceed 5% of the Company's "equity interests" by reference to its last financial accounts lodged with ASX and therefore constitute a "substantial asset" for the purposes of Listing Rule 10.2.

At the last practicable date before the date of this Notice, Zeta holds a relevant interest in 268,757,616 Panoramic Shares, which represents voting power of approximately 35.22% of the total number of Panoramic Shares. Accordingly, Zeta is a substantial holder of the Company for the purposes of Listing Rule 10.1.3.

On the basis that the Second Horizon Share Sale falls within Listing Rule 10.1.3 and (as noted above) involves the disposal of a substantial asset, it requires the approval of Panoramic Shareholders under Listing Rule 10.1.

If Resolution 1 is passed, the Company:

- will complete the Second Horizon Share Sale;
- will use the proceeds of the Second Horizon Share Sale to set-off approximately \$3.4 million of the Zeta Loan as required by the terms of the Zeta Loan, unless the Zeta Loan has already been repaid by Panoramic, in which case Panoramic will use the proceeds of the Second Horizon Share Sale for general corporate purposes and the development of the Savannah North orebody. See Schedule 2 for a summary of the material terms of the Zeta Loan; and
- if Resolution 2 is passed, will issue 28,250,525 Panoramic Options to Zeta or its nominee. See page 12 for details of the consequences if Resolution 2 is not passed.

If Resolution 1 is not passed:

- the Company will not be able to complete the Second Horizon Share Sale. There is no guarantee the Company will be able to find another purchaser for the remaining Horizon Shares in the near term and whether the terms of any sale will be on acceptable terms;
- unless the Zeta Loan has already been repaid by Panoramic, Panoramic will not be able to use the proceeds of the Second Horizon Share Sale to set-off approximately \$3.4 million of the Zeta Loan, and will be required to repay that amount of the Zeta Loan by other means which will potentially deplete the Company's cash reserves. If the Zeta Loan has already been repaid by Panoramic but Resolution 1 is not passed, Panoramic will not be able to use those funds for general corporate purposes and the development of the Savannah North orebody,

and Panoramic may be required to obtain other sources of funds as it seeks to recommence operations after a period of suspension. See Schedule 2 for a summary of the material terms of the Zeta Loan;

- and Resolution 3 is passed, the Company will issue 50,000,000 Panoramic Options to Zeta or its nominee. See page 12 for details of the consequences if Resolution 3 is not passed.

The following further information is provided to Panoramic Shareholders for the purposes of Listing Rule 10.5:

- (d) Zeta is acquiring the Horizon Shares the subject of the Second Horizon Share Sale;
- (e) Zeta's voting power in the Company exceeds 10%. It is therefore a substantial holder of the Company and falls within Listing Rule 10.1.3;
- (f) under:
 - (i) the Second Horizon Share Sale, Zeta is acquiring 17,183,580 Horizon Shares at a price of \$0.20 per Horizon Share
 - (ii) the Initial Horizon Share Sale, Zeta acquired 20,237,037 Horizon Shares at \$0.27 per Horizon Share from the Company;
- (g) the consideration under:
 - (i) the Second Horizon Share Sale is \$3,436,716; and
 - (ii) the Initial Horizon Share Sale was \$5,464,000,with the aggregate consideration for both transactions being 8,900,716;
- (h) Panoramic will use the proceeds from the Second Horizon Share Sale to set-off approximately \$3.4 million of the Zeta Loan as required by the terms of the Zeta Loan, unless the Zeta Loan has already been repaid by Panoramic, in which case Panoramic will use the proceeds from the Second Horizon Share Sale for general corporate purposes and the development of the Savannah North orebody;
- (i) under the Zeta SPA, the Second Horizon Share Sale must be completed within 3 business days after Panoramic Shareholders have approved the Second Horizon Share Sale under this Resolution 1. The Company is required to obtain Panoramic Shareholder approval for the Second Horizon Share Sale by 30 June 2020 or as otherwise agreed by the parties. Under the Zeta Loan, the Company and Zeta agreed that references to the 30 June 2020 deadline in the Zeta SPA would be replaced with 1 August 2020 if the transfer of Horizon Shares under the Second Horizon Share Sale had not been completed by 30 June 2020 because Panoramic Shareholder approval had not been obtained by that date. Under the Zeta Loan, the relevant number of Panoramic Options will be issued to Zeta or its nominee within 3 business days of Panoramic Shareholders approving Resolutions 2 or 3 (as applicable) or Zeta or its nominee obtaining FIRB Approval (if required), whichever is later.¹ The Panoramic Options will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX confirmation or granting a waiver to the Listing Rules. Further details on the issue of Panoramic Options is described below;
- (j) the material terms of the Zeta SPA are set out above and in Schedule 3; and
- (k) a voting exclusion statement applies to Resolution 1 as set out in the Notice.

Independent Expert's Report

Listing Rule 10.5.10 requires a notice of meeting containing a resolution under Listing Rule 10.1 to include a report on the transaction from an independent expert.

¹ Zeta received FIRB Approval on 15 May 2020

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the Second Horizon Share Sale to enable non-associated Panoramic Shareholders to assess the merits and decide whether to approve Resolution 1. The Independent Expert has concluded that the Second Horizon Share Sale is fair and reasonable to the non-associated Panoramic Shareholders.

Panoramic Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, methodology of the valuation and the sources of information and assumptions made.

The Independent Expert's Report is also available on the Company's website (<https://panoramicresources.com/>). If requested by a Panoramic Shareholder, the Company will send to the Panoramic Shareholder a hard copy of the Independent Expert's Report at no cost.

Directors' recommendation

The Directors (in the absence of Peter Sullivan) recommend that Shareholders vote in favour of Resolution 1. The Directors (in the absence of Peter Sullivan) are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Peter Sullivan declines to make a recommendation about Resolution 1 as it relates to the proposed sale of Horizon Shares to Zeta (of which he is Non-Executive Chairman).

ITEMS 2 AND 3 – Proposed issue of Panoramic Options to Zeta or its nominee

Issue of Panoramic Options to Zeta or its nominee under the Zeta Loan

As announced by the Company on 3 April 2020, the Company has entered into a loan agreement with Zeta (**Zeta Loan**), pursuant to which Zeta agreed to loan the Company \$8 million. Under the Zeta Loan, the Company has agreed to issue Zeta (or its nominee) the relevant number of Panoramic Options subject to (i) Panoramic Shareholders approving the issue of the Panoramic Options under Listing Rule 10.11 and (ii) if required by Zeta or its nominee, FIRB Approval.²

The Company is seeking Panoramic Shareholder approval under Resolution 2 and 3 to issue the relevant number of Panoramic Options to Zeta or its nominee on the following basis:

- **Resolution 2:** if Resolution 1 is passed, the Company proposes to issue 28,520,525 Panoramic Options to Zeta or its nominee; or
- **Resolution 3:** if Resolution 1 is not passed, the Company proposes to issue 50,000,000 Panoramic Options to Zeta or its nominee.

Information requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- a related party (Listing Rule 10.11.1);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Panoramic Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of the Panoramic Shareholders.

The proposed issue of Panoramic Options to Zeta or its nominee pursuant to the Zeta Loan falls within Listing Rule 10.11.2 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Panoramic Shareholders under Listing Rule 10.11.

Resolutions 2 and 3 seek Panoramic Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue (in the case of Resolution 2) 28,520,525 Panoramic Options or (in the case of Resolution 3) 50,000,000 Panoramic Options to Zeta or its nominee in connection with the Zeta Loan.

If:

- Resolutions 1 and 2 are approved, the Company will be able to proceed with the issue of 28,520,525 Panoramic Options to Zeta or its nominee (**Outcome 1**); or
- Resolution 1 is not approved and Resolution 3 is approved, the Company will be able to proceed with the issue of 28,520,525 Panoramic Options to Zeta or its nominee (**Outcome 2**).

² Zeta received FIRB Approval on 15 May 2020.

The impact of these scenarios on Zeta's voting power in the Company is set out in the following table:³

Outcome of Resolutions	Number of Panoramic Shares held by Zeta	Number of Panoramic Options by Zeta or its nominee	Voting power in the Company on undiluted basis (%)	Voting power in the Company on fully diluted basis (%)
Outcome 1	268,757,616	28,520,525	35.22	37.55
Outcome 2	268,757,616	50,000,000	35.22	39.20

The Company is not seeking Panoramic Shareholder approval under item 7 s611 of the Corporations Act for the issue of Panoramic Shares on exercise of the Panoramic Options. On any exercise of the Panoramic Options by Zeta or its nominee, the exercise of such Panoramic Options would be subject to available "creep capacity" under item 9 s611 of the Corporations Act.

If:

- Resolution 1 is approved but Resolution 2 is not approved; or
- Resolutions 1 and 3 are not approved,

the Company will not issue the relevant number of Panoramic Options to Zeta or its nominee and the Company will be required to make certain additional "make-whole" cash payments to Zeta in accordance with the Zeta Loan, with the amount of those payments determined by reference to when the Zeta Loan is repaid in full. These payments are as follows:

Repayment Date	Resolution 2 not approved	Resolution 3 not approved
If the Zeta Loan is repaid in full on or before 30 June 2020	\$456,328	\$800,000
If the Zeta Loan is repaid in full between 1 July 2020 and 30 June 2021	\$912,656	\$1,600,00
If the Zeta Loan is repaid in full between 1 July 2021 and 30 June 2022	\$1,368,984	\$2,400,000

The following further information is provided to Panoramic Shareholders for the purposes of Listing Rule 10.13:

- the Panoramic Options will be issued to Zeta or its nominee, as noted above;
- Zeta's voting power in the Company exceeds 30%. It is therefore a substantial holder of the Company and falls within Listing Rule 10.11.2;
- under Outcome 1, the Company will issue 28,520,525 Panoramic Options. Under Outcome 2, the Company will issue 50,000,000 Panoramic Options;
- the terms of the Panoramic Options are set out in Schedule 1 of this Explanatory Memorandum;
- under the Zeta Loan, the relevant number of Panoramic Options will be issued to Zeta or its nominee within 3 business days of Panoramic Shareholders approving Resolutions 2 or 3 (as applicable) or Zeta or its nominee obtaining FIRB Approval (if required), whichever is later.⁴ The Panoramic Options will be issued on a date which

³ Based on Zeta's voting power as at the last practicable date before the date of this Notice.

⁴ Zeta received FIRB Approval on 15 May 2020.

will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX confirmation or granting a waiver to the Listing Rules;

- (f) the Panoramic Options will be issued with an exercise price of \$0.16 per Panoramic Option and will expire at 5.00pm (Perth time) on the date that is 3 years after the date of issue;
- (g) the Panoramic Options are being issued to Zeta or its nominee in accordance with the terms of the Zeta Loan, the terms of which are contained in Schedule 2;
- (h) on exercise of all the Panoramic Options, the Company will receive (in the case of Panoramic Options issued under Outcome 1) \$4,563,284 or (in the case of Panoramic Options issued under Outcome 2) \$8,000,000. Those funds will be used for general corporate purposes and the development of the Savannah North orebody.
- (i) a voting exclusion statement applies to Resolutions 2 and 3 as set out in the Notice.

If approval is given for the grant of the Panoramic Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Directors' recommendation

The Directors (in the absence of Peter Sullivan) recommend that Shareholders vote in favour of Resolutions 2 and 3. As noted above:

- the transaction contemplated by Resolution 2 is conditional on Resolution 1 being passed; and
- the transaction contemplated by Resolution 3 is conditional on Resolution 1 not being passed.

The Directors (in the absence of Peter Sullivan) are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether they are in the best interests of the Company to pass Resolutions 2 and 3.

Peter Sullivan declines to make a recommendation about Resolutions 2 and 3 as they relate to the proposed issue of Panoramic Options to Zeta (of which he is Non-Executive Chairman) or Zeta's nominee.

ITEM 4 – Approval of potential termination benefits to Mr Victor Rajasooriar

Background

As announced to ASX on 23 October 2019, the Company entered into an employment agreement with Mr Victor Rajasooriar dated 22 October 2019, which was amended on 9 December 2019 (**Variation Agreement**) (**Employment Agreement**). Mr Victor Rajasooriar commenced employment with the Company on 11 November 2019.

The Company is seeking Shareholder approval under Resolution 4 to approve certain potential payments up to a potential maximum which may become payable to Mr Victor Rajasooriar in the event of any future termination of his employment with the Company. The Company has no intention of terminating the employment of Mr Victor Rajasooriar at this time. Resolution 4 is of a purely administrative nature and reflects the provisions in the Employment Agreement which, as noted above, was announced on 23 October 2019. Shareholder approval is required under the Corporations Act because certain technical matters under the Employment Agreement were not agreed before Mr Victor Rajasooriar commenced employment with the Company. These are described in further detail below.

Termination benefits under the Employment Agreement

Under the Employment Agreement:

- if Mr Victor Rajasooriar or the Company terminates Mr Victor Rajasooriar's employment at any time after the probationary period (for a reason other than that which would give the Company the right to immediately terminate Mr Victor Rajasooriar's employment), the Company may elect that Mr Victor Rajasooriar work none, part or all of the six month notice period and pay Mr Victor Rajasooriar in lieu of any period of notice for which it is elected he not work (**Payment 1**). Any payment in lieu of notice is calculated by reference to Mr Victor Rajasooriar's salary and superannuation contribution as at the date of termination of his employment. The maximum value of Payment 1 (which assumes the Company elects that Mr Victor Rajasooriar does not work for any of the six month notice period) is \$287,500;⁵ or
- if at any time during Mr Victor Rajasooriar's employment (including the probationary period) the Company takes action which results in a material diminution in Mr Victor Rajasooriar's position, or a material reduction or downgrade of Mr Victor Rajasooriar's role, status, authority or reporting relationship with the Panoramic Board, that action will be deemed to be a termination of Mr Victor Rajasooriar's employment and, on receiving notice from Mr Victor Rajasooriar that he regards the Company as having given him notice of termination, Mr Victor Rajasooriar will be entitled to the immediate payment of six months' salary, which will be inclusive of any statutory or contractual entitlements to payment in lieu of any notice periods (**Payment 2**). The value of Payment 2 is \$287,500; and
- if Mr Victor Rajasooriar's employment is terminated by the Company for any reason other than serious misconduct, or if Mr Victor Rajasooriar's employment is deemed to have been terminated by the Company as set out above, Mr Rajasooriar is entitled to the payment of up to any pro-rata STI calculated as at the later of the date on which his employment ceases or the date on which Mr Victor Rajasooriar's notice period would have ended had he remained employed until the end of the notice period (**Payment 3**). The annual STI entitlement will be:
 - for the financial year ended 30 June 2020, up to 120% of Mr Victor Rajasooriar's total fixed remuneration; and
 - otherwise, up to 60% of Mr Victor Rajasooriar's total fixed remuneration,

in each case subject to certain Company and individual key performance indicators. The Company must pay any STI to which Mr Victor Rajasooriar is entitled in September of each year for the preceding fiscal year, subject always to the Company's profitability and capacity to pay. However, if Mr Victor Rajasooriar's employment with the Company is terminated for any reason other than serious misconduct, the Company proposes that, subject to shareholder approval, any such STI payments for the preceding fiscal year are paid at

⁵ This and the other values specified in this section of the Explanatory Memorandum are based on Mr Victor Rajasooriar's total fixed remuneration announced on 23 October 2019 and not the temporary 20% reduction in Mr Victor Rajasooriar's total fixed remuneration effective from 1 May 2020.

or around the same time as Payment 1, rather than in September as currently envisaged under the Employment Agreement.

By way of example:⁶

- if Mr Victor Rajasooriar's employment was terminated on 30 June 2020, Mr Victor Rajasooriar may be, subject to any performance in the period and Board discretion, entitled to an STI component up to a maximum of approximately \$611,000 for the period from 11 November 2019 (being the date of commencement of his employment with the Company) to 31 December 2020 (being the date on which Mr Victor Rajasooriar's notice period would end); or
- if Mr Victor Rajasooriar's employment was terminated on 30 June 2021, Mr Victor Rajasooriar may be, subject to any performance in the period and Board discretion, entitled to an STI component up to a maximum of approximately \$518,000 for period from 1 July 2020 to 30 December 2021 (being the date on which Mr Victor Rajasooriar's notice period would end).

Payment 2 and Payment 3 are always subject to satisfaction of Company and individual key performance indicators and the Company's capacity to pay a STI. As such, the values outlined above are the maximum amounts that Mr Victor Rajasooriar could receive under those payments and there is no guarantee that he would receive the maximum amounts.

Payment 1, Payment 2 and Payment 3 are collectively the **Termination Payments**. The other material terms of the Employment Agreement are set out in Schedule 4.

Part 2D.2 of the Corporations Act

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

Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes Mr Victor Rajasooriar.

The term "benefit" has a wide operation and would include the Termination Payments proposed to be paid to Mr Victor Rajasooriar on or (in the case of Payment 1 and Payment 3) following termination of employment.

A payment will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the director's remuneration (**Cap Exception**) or if the nature of the payment falls within one of a number of categories set out in the Corporations Act (for example, a payment by way of damages for breach of contract or a payment for past services).

To rely on the Cap Exception, the benefit must have been given to a person under an agreement between the company and the person before the person became the holder of the office as consideration for agreeing to hold that office.

As noted above, Mr Victor Rajasooriar commenced employment with the Company on 11 November 2019, and the Variation Agreement between Mr Victor Rajasooriar was entered into after that date. Payments 1, 2 and 3 were the subject of the Variation Agreement. Accordingly, the Company cannot rely on the Cap Exception for Payments 1, 2 and 3.

Given the date of the Variation Agreement, the amount and nature of the Termination Payments do not fall within any of the categories of exception set out in the Corporations Act.

Accordingly, Shareholder approval is sought for the purposes of section 200E of the Corporations Act to allow the Company to deal with and pay the Termination Payments on the termination of Mr Victor Rajasooriar's employment with the Company, where to do so would involve giving a "benefit" to Mr Victor Rajasooriar in connection with him ceasing to hold an executive office. Resolution 4 seeks those approvals.

⁶ Mr Victor Rajasooriar may also receive a benefit from any additional interest that accrues on Payment 3 by receiving that amount earlier than he otherwise would have under the Employment Agreement.

Section 200E of the Corporations Act requires that where shareholders are asked to approve a payment or other benefit to a director that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment, or, if the amount cannot be ascertained at the time of the disclosure, the manner in which the amount is to be calculated and any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The maximum amount of Payment 1 and the amount of Payment 2 is \$287,500.⁷ Either Payment 1 or Payment 2 will be made to Mr Victor Rajasooriar – there is no circumstance that he will be entitled to receive both payments. The amount of any Payment 3 that may be made to Mr Victor Rajasooriar in connection with his termination of employment cannot presently be ascertained, and depends on:

- the Company's profitability and capacity to pay a STI;
- Mr Victor Rajasooriar's satisfaction of applicable key performance indicators; and

as at the date of termination. Indicative maximum values for Payment 3 are provided above.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Victor Rajasooriar is a related party of the Company.

The Board (excluding Mr Victor Rajasooriar) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the potential Termination Payments as the payments, which form part of the remuneration package for Mr Victor Rajasooriar, are considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Enquiries

Panoramic Shareholders are invited to contact Ms Susan Hunter, Company Secretary, on telephone (+61 8) 6266 8600 if they have any queries in respect to the matters set out in this Notice.

⁷ This and the other values specified in this section of the Explanatory Memorandum are based on Mr Victor Rajasooriar's total fixed remuneration announced on 23 October 2019 and not the temporary 20% reduction in Mr Victor Rajasooriar's total fixed remuneration effective from 1 May 2020.

GLOSSARY

\$ means Australian dollars.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the Directors.

Business Day means a day (not being a Saturday, a Sunday or a public holiday) on which banks are open for general banking business in Perth, Western Australia.

Chair or **Chairman** means the individual elected to chair any meeting of the Company from time to time.

Company means Panoramic Resources Limited ABN 47 095 792 288.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

FIRB Approval means the Treasurer of Australia or its delegate providing their approval for or providing notice that there are no objections to the issue of the relevant number of Panoramic Options to Zeta or its nominee, which was received on 15 May 2020.

Horizon means Horizon Gold Limited ABN 27 614 175 923.

Horizon Share means a fully paid ordinary shares in the capital of Horizon.

Independent Expert's Report means the report on the Second Horizon Share Sale completed by the Independent Expert for the purposes of Resolution 1, accompanying this Notice as Attachment A.

Initial Horizon Share Sale has the meaning given in the Notice.

Listing Rules means the ASX Listing Rules.

Meeting has the meaning given in the Notice.

Notice means this notice of Meeting.

Outcome 1 has the meaning given in the Notice.

Outcome 2 has the meaning given in the Notice.

Panoramic Option means an option to subscribe for a Panoramic Share on the terms set out in Schedule 1 of this Notice.

Panoramic Share means a fully paid ordinary share in the capital of the Company.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions contained in the Notice.

Second Horizon Share Sale has the meaning given in the Notice.

Shareholder means a member of the Company from time to time.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means western standard time as recognised in Perth, Western Australia.

Zeta means Zeta Resources Limited ARBN 162 902 481.

Zeta Loan means the loan agreement between the Company and Zeta dated 3 April 2020.

Zeta SPA means the share purchase agreement between the Company and Zeta announced 30 March 2020.

Schedule 1 Panoramic Option terms

The terms of the Panoramic Options are as follows:

- (a) **issue price:** the Panoramic Options will be issued for no cash consideration;
- (b) **entitlement:** each Panoramic Option entitles the holder to subscribe for one Panoramic Share upon exercise of each Panoramic Option;
- (c) **exercise price:** the Panoramic Options have an exercise price of \$0.16 each;
- (d) **expiry date:** the Panoramic Options will expire at 5.00pm (Perth time) on the date that is 3 years after the date of issue. The Panoramic Options may be exercised at any time after issue and prior to the expiry date. A Panoramic Option not exercised before the expiry date will automatically lapse on the expiry date;
- (e) **exercise:** the Panoramic Options may be exercised by providing notice in writing to the Company before the expiry date specifying:
 - (i) the number of Panoramic Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the exercise price for the number of Panoramic Options being exercised,

and the notice is only effective when the Company has received the full amount of the exercise price in cleared funds;

- (f) **ranking of Panoramic Shares:** all Panoramic Shares issued upon the exercise of the Panoramic Options will be fully paid ordinary shares in the Company and rank equally in all respects with the Company's then issued Panoramic Shares.
- (g) **issue of Panoramic Shares:** within 10 Business Days of receipt of a notice of exercise and the payment of the exercise price for each Panoramic Option being exercised, the Company will:
 - (i) allot and issue the Panoramic Shares pursuant to the exercise of the Panoramic Options to the holder of the Panoramic Options (or their nominee);
 - (ii) within 5 business days of the issue of the Panoramic Shares, give ASX a notice that complies with sections 708A(5)(e) and 708A(6) of the Corporations Act or within 20 Business Days of the issue of the Panoramic Shares, lodge a prospectus with ASIC that qualifies the Panoramic Shares issued upon exercise of the Panoramic Options for resale under section 708A(11) of the Corporations Act; and
 - (iii) apply for official quotation on ASX of the Panoramic Shares issued pursuant to the exercise of the Panoramic Options.
- (h) **transferability:** the Panoramic Options will not be quoted. The Panoramic Options may be transferred or assigned at any time provided the transferee or assignee of the Panoramic Options is not required to receive a disclosure document in connection with the Panoramic Options under the applicable laws and regulations of its jurisdiction of incorporation or otherwise. If requested in writing by the holder of the Panoramic Options, provided the Company can satisfy the requirements of Chapter 2 of the Listing Rules in respect of the Panoramic Options, the Company must apply for quotation of the Options on ASX;
- (i) **participation rights:** there are no participation rights or entitlements inherent in the Panoramic Options and holders will not be entitled to participate in new issues or pro-rata issues of capital offered to Panoramic Shareholders during the term of the Panoramic Options. Thereby, the holder has no rights to a change in the exercise price of the Panoramic Options or a change to the number of underlying securities over which the Panoramic Options can be exercised, except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that the holder will be notified of a proposed issue after it is announced. This will give

the holder the opportunity to exercise their Panoramic Options prior to the date for determining entitlements to participate in such issues;

- (j) **bonus issue:** if from time to time on or prior to the expiry date the Company makes a bonus issue of securities to Panoramic Shareholders (**Bonus Issue**), then on exercise of his or her Panoramic Options a holder will be entitled to have issued to him or her (in addition to the Panoramic Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that bonus issue if the Panoramic Options had been exercised before the record date for the bonus issue; and
- (k) **reconstruction of Panoramic Share capital:** in the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

Schedule 2

Material terms of the Zeta Loan

Under the loan, Zeta agreed to provide the Company an unsecured loan of \$8 million for activities at the Savannah Project and for working capital purposes.

The key terms of the loan are as follows:

- Principal amount of \$8.0 million.
- Interest rate of 6% per annum.
- The loan is unsecured and subordinated to the Macquarie Bank Limited (Macquarie) Senior Facility.
- The loan has a maturity date of 30 June 2022, unless repaid early.
- Unless already repaid by Panoramic, approximately \$3.4 million of the loan principal shall be off-set by the transfer of approximately 17.2 million Horizon Shares agreed to be sold by Panoramic to Zeta, as announced on 30 March 2020, if approved by Panoramic Shareholders.
- Panoramic to issue Panoramic Options to Zeta or its nominee, subject to Panoramic Shareholder approval and Zeta or its nominee (as applicable) obtaining FIRB approval⁸, as follows:
 - If the Second Horizon Share Sale is approved by Panoramic shareholders: 28,520,525 Panoramic Options
 - If the Second Horizon Share Sale is not approved by Panoramic Shareholders (such that the Horizon Shares are retained by Panoramic): 50,000,000 Panoramic Options
 - Option expiry: 3 years from date of issue
 - Option strike price: \$0.16 per Panoramic Share
- Unless otherwise agreed, Panoramic will seek Panoramic Shareholder approval for the Second Horizon Share Sale and issue of Panoramic Options between 1 June and 1 August 2020. The relevant number of Panoramic Options will be issued to Zeta or its nominee within 3 business days of Panoramic Shareholders approving Resolutions 2 or 3 (as applicable) or Zeta or its nominee obtaining FIRB Approval (if required), whichever is later.⁹ The Panoramic Options will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX confirmation or granting a waiver to the Listing Rules.
- If Panoramic Shareholder approval for the issue of the Panoramic Options is not obtained, then Panoramic must make the following “make-whole” payments to Zeta when the loan is repaid in full:

Repayment Date	Resolution 2 not approved	Resolution 3 not approved
If the Zeta Loan is repaid in full on or before 30 June 2020	\$456,328	\$800,000
If the Zeta Loan is repaid in full between 1 July 2020 and 30 June 2021	\$912,656	\$1,600,00

⁸ Zeta received FIRB Approval on 15 May 2020

⁹ Zeta received FIRB Approval on 15 May 2020

If the Zeta Loan is repaid in full between 1 July 2021 and 30 June 2022	\$1,368,984	\$2,400,000
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- Amounts outstanding (together with any interest accrued and “make-whole” payments) under the loan are repayable on the occurrence of certain events, including on the earlier of:
 - a change of control in the Company (being someone obtaining voting power of more than 50% and if there is a bid it becomes unconditional, or a scheme becomes effective);
 - the occurrence of an event of default (which are limited to breaches of obligations, representations and warranties, and insolvency events).

Schedule 3

Material terms of the Zeta SPA

Under the Zeta SPA, Zeta agreed to purchase 17,183,580 Horizon Shares from the Company for a purchase price of \$3,346,716 (**Transaction**).

Completion of the Transaction under the Zeta SPA is conditional on the Panoramic Shareholders approving the Transaction for the purposes of Listing Rule 10.1. The Company must use reasonable endeavours to obtain Panoramic Shareholder approval by 30 June 2020 or as otherwise agreed by the parties.

Within 3 business days of the Company obtaining Panoramic Shareholder approval of the Transaction, each of Zeta and the Company will execute buy and sell orders respectively and the Transaction will be complete by way of cross trade.

The Zeta SPA is otherwise on customary terms for an agreement of that nature, including warranties as to title and capacity.

Schedule 4

Material terms of the Employment Agreement

1. Appointment

The appointment as Managing Director and CEO of Panoramic commences on 11 November 2019.

2. Term

Employment continues until terminated by either the Company or Mr Victor Rajasooriar.

A probationary period will apply for the first six (6) months of employment. During this period, Mr Victor Rajasooriar or the Company may terminate his employment by giving eight (8) weeks' notice.

3. Remuneration

Mr Victor Rajasooriar's remuneration package comprises the following components:

- Total Fixed Remuneration (**TFR**) of \$575,000 (gross), inclusive of car parking and statutory superannuation.
- Short Term Incentives (**STI**) in accordance with the STI Plan Rules that apply from time to time up to 60% of TFR.
- Long Term Incentives (**LTI**) in accordance with the rules of the Panoramic Resources Employee Share Plan (**2018 ES Plan**). Mr Rajasooriar will receive up to 100% of TFR as Performance Share Rights (**Rights**) on an annual basis should the Company achieve performance hurdles over a rolling three-year period. The hurdles are related to the following:
 - Absolute Shareholder Return;
 - Relative Shareholder Return against a peer group of companies; and
 - Growth in Resources and Reserves base.

Each performance hurdle has an equal 1/3 weighting on the overall vesting of Rights.

Subject to shareholder approval and ASX Listing Rules, the first grant of Rights will be for the performance period from 1 July 2020 to 30 June 2023, with a vesting date of 1 July 2023. The future annual grant of Rights (with a new three-year performance period and vesting date) will be made subject to the 2018 ES Plan being suspended or modified by the Company's Remuneration Committee.

4. Termination and Notice

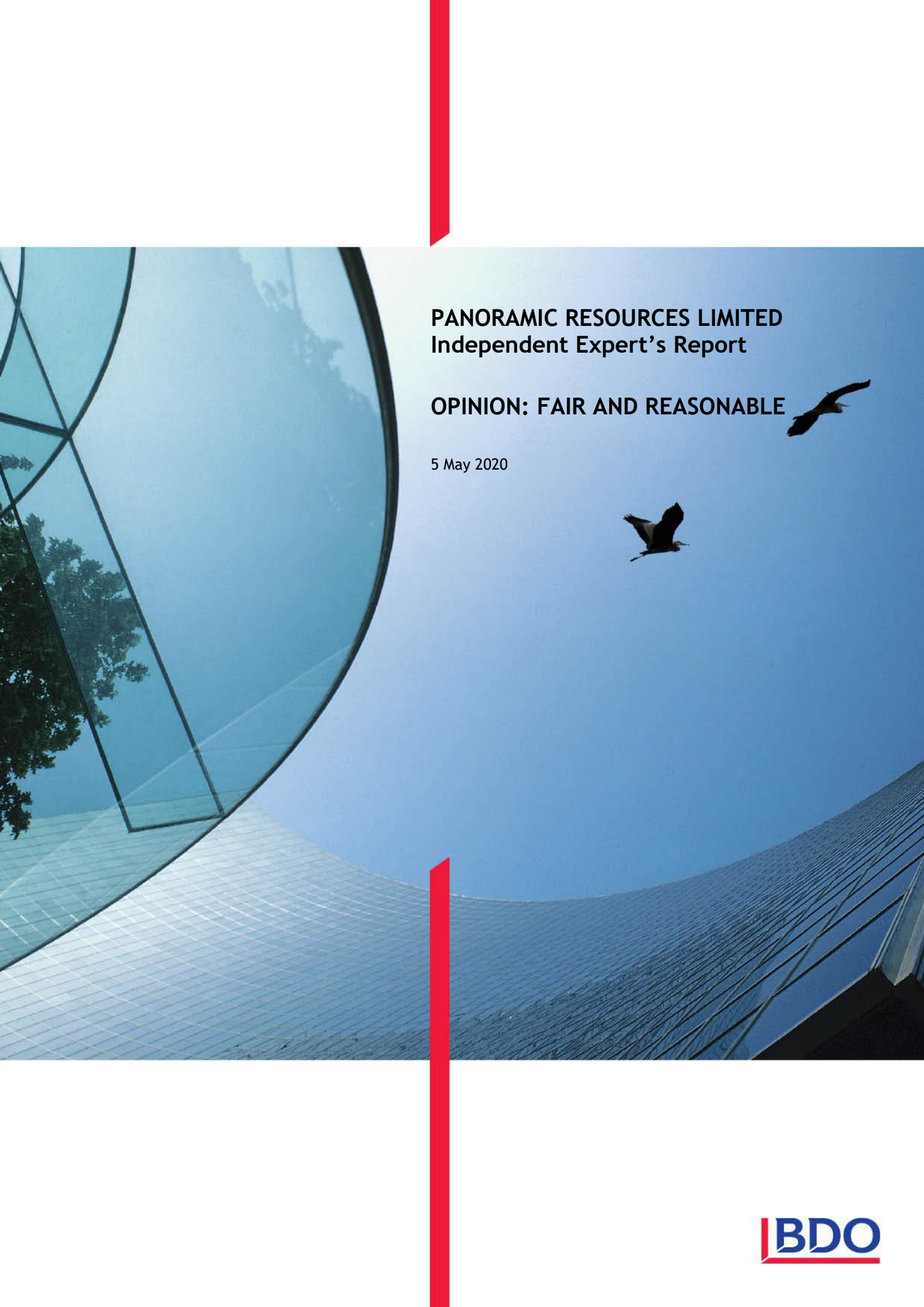
Mr Victor Rajasooriar's employment contract may be terminated in the following circumstances:

- During the initial six months probationary period;
- Termination by Mr Victor Rajasooriar or the Company on six months written notice. The Company may elect to make a payment in lieu of notice (based on the TFR component of Mr Victor Rajasooriar's remuneration);
- A change of control event in which Mr Victor Rajasooriar may elect, if within three months following a change of control event a material diminution in his position, a material reduction or downgrade of the role, status or authority of the CEO with the Company or the CEO's reporting relationship with the Board from that contemplated by his contract occurs, to deem a notice of termination as having been given by the Company and be eligible for a payment of six months' salary and any pro-rata STI, with all payments made in lieu of any notice periods and vesting of all LTI awards; and
- Termination by the Company without notice for serious misconduct or other circumstances justifying dismissal.

On termination, except for a change of control event, any entitlements held under the Company's long term and short term incentive plans will be treated (and may be retained or forfeited) in accordance with applicable plan rules from time to time. Any entitlements are limited to the extent that they can be given by the Company without seeking or obtaining shareholder approval (where this is required by ASX Listing Rules or the Corporations Act). However, nothing prevents the Board from deciding (in its absolute discretion) to seek such shareholder approval.

On 29 April 2020, the Company announced a 20% reduction in Mr Victor Rajasooriar's total fixed remuneration, effective from 1 May 2020. This results in the reduction of Mr Victor Rajasooriar's total fixed remuneration from \$575,000 (gross) to \$460,000 (gross), in each case inclusive of car parking and statutory superannuation. The reduction in total fixed remuneration is temporary with no fixed duration but will only be reviewed by the Board when it is considered appropriate.

Attachment A
Independent Expert's Report



PANORAMIC RESOURCES LIMITED
Independent Expert's Report

OPINION: FAIR AND REASONABLE

5 May 2020



Financial Services Guide

5 May 2020

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Panoramic Resources Limited ('Panoramic') to provide an independent expert's report in relation to the proposed sale of 17,183,580 of Panoramic's shares that it holds in Horizon Gold Limited ('Horizon') to Zeta Resources Limited ('Zeta'). You are being provided with a copy of our report because you are a shareholder of Panoramic and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Panoramic to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$34,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Panoramic.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Panoramic for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by SRK Consulting Pty Ltd

Appendix 4 - Option Valuation

Appendix 5 - Discount Rate Assessment



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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

5 May 2020

The Independent Directors
Panoramic Resources Limited
Level 9, 553 Hay Street
PERTH WA 6000

Dear Independent Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 30 March 2020, Panoramic Resources Limited ('Panoramic') announced that it had received commitments to purchase its remaining 18,793,580 shares in Horizon Gold Limited ('Horizon') from sophisticated and professional investors at a price of \$0.20 per share. As part of these commitments, Zeta Resources Limited ('Zeta') has agreed to purchase 17,183,580 shares in Horizon from Panoramic. It has been agreed that if shareholder approval is obtained for the sale of shares to Zeta, the consideration will be in the form of an offset of \$3,436,716 against the principal owing on a short term facility provided to Panoramic by Zeta ('Consideration').

The proposed sale of shares in Horizon to Zeta by Panoramic is deemed to be a transaction with a substantial holder of Panoramic, as Zeta holds 35.22% of Panoramic's issued capital. The proposed disposal of the Horizon shares when aggregated with the Company's previous sale of shares to Zeta in February 2020, represents in excess of 5% of the equity interest of Panoramic. Consequently, this triggers the requirement for an Independent Experts Report ('Our Report') pursuant to ASX Listing Rule 10.1.

Our Report details our opinion on whether the above proposed sale of Horizon shares to Zeta for \$0.20 per share, referred to as 'the Transaction' or 'Resolution 1', is fair and reasonable to the non-associated shareholders of Panoramic ('Shareholders'). Resolution 2 of the Notice of Meeting to which Our Report is attached ('Notice of Meeting') relates to the proposed issue of 28,520,525 options in Panoramic, with an exercise price of \$0.16 and a life of three years from issue ('Panoramic Options') to Zeta or its nominee ('Resolution 2'). Resolution 3 of the Notice of Meeting relates to the proposed issue of 50,000,000 Panoramic Options to Zeta or its nominee ('Resolution 3'). Although we are providing an opinion on whether the Transaction is fair and reasonable to Shareholders, the impact of Resolution 2 and Resolution 3 on Shareholders has been considered in our assessment of whether the Transaction is fair and reasonable. Only upon the approval of Resolution 1 do the potential benefits relating to Resolution 2 or Resolution 3 become available.

All figures in Our Report are stated in Australian Dollars, unless stated otherwise.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Panoramic have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Transaction is fair and reasonable to Shareholders.

Our Report is prepared pursuant to ASX Listing Rule 10.1 and is to be included in the Notice of Meeting of Panoramic in order to assist Shareholders in their decision on whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of 17,183,580 Horizon shares less the differential in value between the outcomes resulting from the approval or non-approval of Resolution 1 of the Notice of Meeting ('Value Differential') compares to the value of the Consideration;
- The likelihood of an alternative offer being made to Panoramic;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to Shareholders.

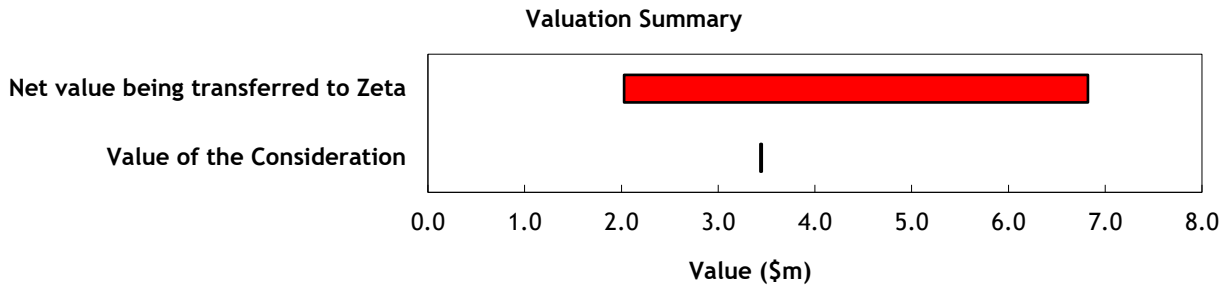
2.4 Fairness

In section 12, we determined that the net value being transferred to Zeta compares to the Consideration, as detailed below.

	Ref	Low \$	High \$
Net value being transferred to Zeta	10.4.3	2,029,259	6,820,748
Value of the Consideration	11	3,436,716	3,436,716

Source: BDO analysis

The above valuation ranges are graphically presented below:



We note from the table and chart above that the total Consideration to be received is within the range of values being transferred to Zeta, therefore the Transaction is fair for Shareholders. In particular, we note that the value of Panoramic’s 17,183,580 shares in Horizon when valued at \$0.20 per share, being the price that was paid by professional and sophisticated investors (not related to Panoramic), gives a value of \$3,436,716. This value supports the lower portion of our range.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both:

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	The Transaction is fair	13.4	By approving the Transaction, Shareholders forego the opportunity to participate in any upside of Horizon’s gold projects
13.3	The Transaction allows Panoramic to preserve its cash balance	13.4	Loss of diversification
13.3	The Transaction allows the Company to focus on its Savannah Project	13.4	The change in risk profile may not align with Shareholders’ risk preferences
13.3	Shares have been sold to unrelated third parties on the same terms as those provided to Zeta		

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	If the Transaction is approved, Panoramic avoids the possibility of issuing 50 million Panoramic Options or incurring the higher 'make whole' cash payments		
13.3	The Transaction provides Shareholders with certainty of value		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposals
13.2	Consequences of not approving the Transaction, including:
13.2.1	Alternate sources of funding
13.2.2	Impact on the Zeta Loan
13.2.3	Post-announcement pricing

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Based on the reviewed accounts as at 31 December 2019, the value of the Horizon shares sold to Zeta as part of this Transaction, when aggregated with the shares sold to Zeta in February 2020, represents in excess of 5% of the equity interest of Panoramic. Accordingly, an independent experts' report is required for the Transaction. Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Transaction. Under RG 111, the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to the non-associated shareholders of Panoramic.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of ‘fair and reasonable’. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is ‘fair and reasonable’ for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Transaction to be a control transaction in terms of the control of Panoramic being granted. As such, we have used RG 111 as a guide for our analysis but have considered the Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. In the case of Panoramic, the Horizon shares that are proposed to be sold to Zeta are the subject of the Transaction. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. As stated in Section 3.2, we do not consider the Transaction to be a control transaction. However, we note that the Horizon shares that are proposed to be sold to Zeta, represents 22.45% of the issued capital of Horizon. Prior to the Transaction, Zeta (through its direct and indirect interest) has 71.13% of the voting power of Horizon, therefore it already exerts a practical level of control over Horizon. Following the Transaction, Zeta will hold 69.03% of Horizon’s voting power, meaning that it will continue to have control of Horizon. Therefore, given that Panoramic’s current shareholding in Horizon (the subject of the Transaction) is not a controlling interest, we do not consider it appropriate to value the shares being disposed to Zeta on a controlling interest basis.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of 17,183,580 Horizon shares, less the Value Differential, and the value of the Consideration (fairness - see Section 12 ‘Is the Transaction Fair?’); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Transaction, after reference to the value derived above (reasonableness - see Section 13 ‘Is the Transaction Reasonable?’).

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’ (‘APES 225’).

A Valuation Engagement is defined by APES 225 as follows:

‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a

reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 30 March 2020, Panoramic announced that it had received commitments to purchase its remaining 18,793,580 shares in Horizon from sophisticated and professional investors at a price of \$0.20 per share. As part of these commitments, Zeta has agreed to purchase 17,183,580 shares in Horizon from Panoramic.

As at the date of the announcement of the Transaction, Panoramic and Zeta held 24.56% and 71.13% of the voting power of Horizon respectively. Zeta's voting power includes the indirect interest it holds through its holdings in Panoramic. The remaining 1,610,000 shares in Zeta have since been sold to sophisticated and professional investors, reducing Panoramic's interest in Horizon to 22.45%. Following the Transaction, Zeta will hold 69.03% of Horizon's issued capital and voting power.

The total transaction gross proceeds (including those shares sold to professional and sophisticated investors other than Zeta) will be approximately \$3.76 million. Panoramic announced that its intention is to use these proceeds for working capital purposes.

The Transaction that we have been engaged to opine on, is contained in Resolution 1 of the Notice of Meeting. Further, Resolution 2 of the Notice of Meeting relates to the proposed issue of 28,520,525 options in Panoramic, with an exercise price of \$0.16 and a life of three years from issue ('**Panoramic Options**') to Zeta or its nominee ('**Resolution 2**').

Resolution 3 of the Notice of Meeting relates to the proposed issue of 50,000,000 Panoramic Options to Zeta or its nominee ('**Resolution 3**').

If the Transaction is approved, the Company:

- Will complete the sale of 17,183,580 shares in Horizon to Zeta;
- Will receive the Consideration, being an offset of the principal of the short term finance facility provided by Zeta ('**Zeta Loan**'). Further information on the Zeta Loan is provided in section 6.3; and
- If Resolution 2 is passed, issue 28,520,525 Panoramic Options to Zeta or its nominee.

If the Transaction is not approved the Company:

- Will not complete the sale of 17,183,580 Horizon shares to Zeta;
- Will not be able to use the Consideration to offset the principal of the Zeta Loan; and
- If Resolution 3 is passed, issue 50,000,000 Panoramic Options to Zeta.

If Shareholders do not approve the issue of Panoramic Options to Zeta under Resolution 2 or Resolution 3, the Company, pursuant to the Zeta Loan agreement, will be required to make certain additional 'make-whole' cash payments to Zeta. The quantum of these 'make whole' cash payments is determined with reference to when the Zeta Loan is repaid in full. The payments based on the respective repayment dates are as follows:

Repayment Date	Resolution 2 not approved (\$)	Resolution 3 not approved (\$)
If the Zeta Loan is repaid in full on or before 30 June 2020	456,328	800,000
If the Zeta Loan is repaid in full between 1 July 2020 and 30 June 2021	912,656	1,600,000
If the Zeta Loan is repaid in full between 1 July 2021 and 30 June 2022	1,368,984	2,400,000

Source: Loan Agreement between Zeta and Panoramic

5. Profile of Horizon Gold Limited

5.1 Background

Horizon is an ASX-listed gold exploration and development company, with operations located in the Central Murchison region of Western Australia ('WA'). The Company's flagship asset is the 100% owned Gum Creek Gold Project ('Gum Creek'). Horizon was incorporated in August 2016, and the company's head office is located in Perth, WA.

The current board of directors and senior management team of Horizon are:

- John Morrison - Non-Executive Chairman;
- James Sullivan - Executive Director;
- Peter J Venn - Non-Executive Director;
- Paul W Bennett - Non-Executive Director;
- Michael Ball - Chief Financial Officer; and
- Trevor O'Connor - Company Secretary.

5.2 The Gum Creek Gold Project

Gum Creek is located 640 kilometres ('km') northeast of Perth and 90 km north from the nearest town of Sandstone. Horizon acquired a 100% interest in Gum Creek in December 2016 when it acquired Panoramic Gold Pty Ltd ('Panoramic Gold'), which held the title to the project. Panoramic sold Panoramic Gold to Horizon for consideration of 39,030,612 shares in Horizon, which it received when Horizon listed on the ASX in December 2016 via an initial public offering ('IPO').

The main resource areas of Gum Creek are at Swan-Swift, Howards and Wilsons. These deposits are held on mining licences and were the site of a previously operational mine, now placed on care and maintenance.

Given that Gum Creek was previously operational, it still has infrastructure on site. This infrastructure includes a 50 person camp, operational airstrip, tailings storage facility and road network. A 600,000 tonnes per annum ('tpa') processing plant is on site, however significant capital investment would be required to restore the processing plant to operating condition.

The project can be accessed by unsealed roads from the town of Sandstone. Wiluna and Meekatharra are the closest airports with commercial flight services, located 129 km northwest and 144 km northeast of the project respectively.

5.3 The Swan-Swift Gold Deposit

In 2017, Horizon commissioned MACA Interquip Pty Ltd to provide a high-level cost estimate to refurbish the existing 600,000tpa processing plant. Refurbishment costs were estimated to be between \$15 million and \$20 million.

A 12-hole drilling program was completed in August 2018 to test Butcherbird Shear/Premium Lode mineralised gold system near the Swan Bitter/Swift deposits. An additional 6-hole drilling program was undertaken in late 2018 and early 2019 in order to increase geological confidence in the gold mineralisation in the area and to demonstrate a potential link between Premium Lode in the north and the Butcherbird Shear in the south.

Horizon engaged Mining Plus Pty Ltd ('Mining Plus') to update the Mineral Resource Estimate ('MRE') for the Swan and Swift Deposits. The updated MRE incorporated the Butcherbird Shear/Premium Lode drilling. The updated results were announced by the company in July 2019.

In November 2019, Horizon completed a scoping study to determine the viability of recommencing operations at Gum Creek. The scoping study focussed on open pit and underground mining at the Swan-Swift deposit with processing to be undertaken at toll treatment facilities within trucking distance to the project. After completing the scoping study, Horizon determined the next stage would be to complete further drilling programs with the aim to support a Feasibility Study in 2020.

5.4 The Altair Zinc-Copper Prospect

The Altair Zinc-Copper Prospect is wholly owned by Horizon and is an area of interest contained in the north-west corner of the Gum Creek tenement package.

In August 2018, Horizon undertook and completed an initial drill hole at the Altair Zinc-Copper Prospect. In December 2018, it completed an eight hole follow up diamond drill program to gain a deeper understanding of the geological setting, orientation and extent of the Altair Zinc-Copper mineralisation.

Horizon undertook a further 12-hole drilling program which was completed in March 2019 in order to determine the continuation of the mineralisation.

In June 2019, Horizon completed a moving loop electro-magnetic survey covering the area from Altair in the south to Mensa in the north. During the second half of calendar year 2019, Horizon undertook metallurgical test work to understand the characteristics of the Altair Zinc-Copper mineralisation.

5.5 Corporate Overview

Panoramic is responsible for the day to day management of Horizon. This includes providing technical, commercial, managerial and administrative expertise in relation to Gum Creek, and any other assets Horizon may specify. Horizon has extended this management agreement since its inception. There is a management fee charged which is based on the daily rate of Panoramic staff who provide services to Horizon, with a mark up to cover overhead costs.

In November 2019, Peter Harold stepped down from the Horizon board and was replaced by Victor Rajasooriar as Panoramic's nominee Director on the Board of Horizon. Victor Rajasooriar has also assumed the position of Chairman of the Board.

In February 2020, Panoramic sold 20,237,037 shares in Horizon to Zeta at \$0.27 per share, reducing Panoramic's holding from 51.00% to 24.56%. Following the sale of Horizon shares by Panoramic, Zeta's voting power in Horizon remained unchanged at 71.13%. The voting interest attached to these shares was already controlled by Zeta, through its beneficial interest in Panoramic.

In March 2020, Panoramic announced that it would sell its remaining interest in Horizon, with 17,183,580 of Panoramic's remaining 18,793,580 shares being sold to Zeta. The shares are to be sold at a price of \$0.20 per share which represents a premium of 19.8% on the 10 day volume weighted average price ('VWAP').

In April 2020, Victor Rajasooriar stepped down from the Board of Horizon as the Non-Executive Chairman and James Sullivan and John Morrison were appointed as Non-Executive Directors. Mr Morrison is a representative of major shareholder, Zeta and James Sullivan is the brother of Peter Sullivan, the Chairman of both Panoramic and Zeta. The management agreement between Horizon and Panoramic has an expiry date of 30 April 2020.

5.6 Historical Statements of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-19 \$'000	Audited as at 30-Jun-19 \$'000	Audited as at 30-Jun-18 \$'000
CURRENT ASSETS			
Cash and cash equivalents	424	1,879	7,160
Trade and other receivables	16	19	21
Prepayments	3	28	15
TOTAL CURRENT ASSETS	443	1,926	7,196
NON-CURRENT ASSETS			
Property, plant and equipment	4,303	4,299	4,296
Exploration and evaluation	16,407	15,715	12,741
TOTAL NON-CURRENT ASSETS	20,710	20,014	17,037
TOTAL ASSETS	21,153	21,940	24,233
CURRENT LIABILITIES			
Trade and other payables	191	287	546
Borrowings	257	90	27
Provisions	57	47	50
TOTAL CURRENT LIABILITIES	505	424	623

Statement of Financial Position	Reviewed as at 31-Dec-19 \$'000	Audited as at 30-Jun-19 \$'000	Audited as at 30-Jun-18 \$'000
NON-CURRENT LIABILITIES			
Provisions	10,581	10,324	9,842
TOTAL NON-CURRENT LIABILITIES	10,581	10,324	9,842
TOTAL LIABILITIES	11,086	10,748	10,465
NET ASSETS	10,067	11,192	13,768
EQUITY			
Contributed equity	29,671	29,671	29,671
Accumulated losses	(19,604)	(18,479)	(15,903)
TOTAL EQUITY	10,067	11,192	13,768

Source: Horizon's audited financial statements for the years ended 30 June 2018 and 2019 and reviewed financial statements for the half year ended 31 December 2019

We note that for the half year ended 31 December 2019, the review opinion included an emphasis of matter in relation to Horizon's ability to continue as a going concern. Horizon prepared a cash flow forecast, which indicated it would require funding in the next 12 months to continue normal business activities. The material uncertainty existed around Horizon's ability to raise funds in the event that its major shareholder did not provide support. The audit opinion for year ended 30 June 2019 also included an emphasis of matter in relation to Horizon's ability to continue as a going concern, with the same explanation cited.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$7.2 million at 30 June 2018 to \$1.9 million at 30 June 2019. The decrease of \$5.3 million was due primarily to payments of exploration and evaluation expenditure of \$3.9 million relating to works done at Gum Creek and payments to suppliers and employees of \$1.6 million. Cash and cash equivalents decreased to \$0.4 million at 31 December 2019, which was largely a result of exploration spend at Gum Creek of \$0.9 million and payments to suppliers and employees of \$0.5 million.
- Horizon has a current borrowings balance of approximately \$0.3 million as at 31 December 2019. This is a loan from Panoramic, and is at call, unsecured and interest free.
- Horizon has a non-current provision of \$10.6 million at 31 December 2019, which predominantly comprised rehabilitation costs in relation to mining activities previously undertaken at Gum Creek.
- Exploration and evaluation capitalised increased from \$12.7 million at 30 June 2018 to \$15.7 million at 30 June 2019, which was primarily due to the exploration drilling conducted at the Altair Zinc-Copper Prospect and Swan-Swift Deposit, which was capitalised. Capitalised exploration and evaluation expenditure increased to \$16.4 million at 31 December 2019 due to the evaluation studies carried out by Horizon on the Swan-Swift areas and metallurgical test work done on the Altair Zinc-Copper project.

5.7 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-19 \$'000	Audited for the year ended 30-Jun-19 \$'000	Audited for the year ended 30-Jun-18 \$'000
Revenue			
Other income	17	105	224
Expenses			
Care and maintenance expenses	(527)	(760)	(774)
Exploration expenditure written-off	-	(901)	(619)
Corporate and administration costs	(354)	(542)	(562)
Loss on remeasurement of liability	(218)	(377)	-
Impairment loss	-	-	(12,569)
Finance costs	(43)	(101)	(464)
Loss before income tax	(1,125)	(2,576)	(14,764)
Income tax expense	-	-	-
Loss after income tax	(1,125)	(2,576)	(14,764)

Source: Horizon's audited financial statements for the years ended 30 June 2018 and 2019 and Horizon's reviewed financial statements for the half year ended 31 December 2019

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Impairment losses of \$12.6 million for the year ended 30 June 2018 related to a write down of Gum Creek. At 30 June 2018 an impairment indicator was identified, being a decrease in the underlying resource multiples used to value the project and a lack of results from exploration activities. A third party valuation was undertaken and the project was determined to have a carrying value of \$12.7 million, and an impairment loss of \$12.6 million was posted.

5.8 Capital Structure

The share structure of Horizon as at 30 September 2019 is outlined below:

	Number
Total ordinary shares on issue	76,530,617
Top 20 shareholders	70,393,692
Top 20 shareholders - % of shares on issue	91.98%

Source: 30 June 2019 Annual Report

The range of shares held in Horizon as at 30 September 2019 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	10	1,979	0.00%
1,001 - 5,000	121	548,669	0.72%
5,001 - 10,000	81	730,210	0.95%
10,001 - 100,000	122	3,628,878	4.74%
100,001 - 1,000,000	26	8,025,015	10.49%
1,000,001 and over	3	63,595,866	83.10%
TOTAL	363	76,530,617	100.00%

Source: 30 June 2019 Annual Report - Additional Shareholder Information as at 30 September 2019

The ordinary shares held by the most significant shareholders as at 1 April 2020 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Zeta Resources Limited	35,643,387	46.57%
Panoramic Resources Limited	17,183,580	22.45%
Subtotal	52,826,967	69.03%
Others	23,703,650	30.97%
Total ordinary shares on Issue	76,530,617	100.00%

Source: Form 604 - ASX Announcement on 1 April 2020, ASX Announcement on 18 February 2020

Horizon has no options on issue as at the date of this report.

6. Profile of Panoramic

6.1 History

Panoramic is an ASX-listed base and precious metal exploration and development company, with operations located in the East Kimberley region of WA. The Company's flagship asset is its 100% owned Savannah Nickel Project. Panoramic was incorporated in 2001, and the Company's head office is located in Perth, WA.

The current board of directors and senior management of Panoramic are:

- Peter Sullivan - Non-Executive Chairman;
- Victor Rajasooriar - Managing Director and Chief Executive Officer;
- Nicholas Cernotta - Non-Executive Director;
- Rebecca Hayward - Non-Executive Director;
- Gillian Swaby - Non-Executive Director;
- Michael Ball - Chief Financial Officer; and
- Susan Hunter - Company Secretary.

6.2 The Savannah Nickel Project

The Savannah Nickel Project ('Savannah Project') is located 240km south of Kununurra in the East Kimberley region of Western Australia and was purchased by Panoramic in 2001. The Savannah Project spans across an area of approximately 4,298 hectares with its main areas of interest being Savannah, Savannah North and Copernicus. Panoramic's mining licences at the Savannah Project permit mining operations to continue until mid-2029.

The Savannah Project includes significant infrastructure, including an underground mine, a one Megaton per annum processing plant, a mobile mining fleet, a 200 person village, a tailings storage facility, a 12 Mega Watt ('MW') power station and storage facilities in Wyndham. The Savannah Project is adjacent to the Great Northern Highway where its nickel-copper-cobalt concentrate is trucked to the Wyndham storage facility before it is shipped from the Wyndham Port.

A bankable feasibility study ('BFS') was undertaken in 2002, and a \$52 million project debt facility was obtained in 2003. Following the completion of the BFS, a plant was commissioned and open pit mining operations commenced in 2004. Offtake agreements were signed with Jinchuan Group Limited ('Jinchuan') and Sino Mining International Limited ('Sino') in 2003, and later extended for another ten years in 2010 for 100% of all concentrate from the Savannah Project.

In May 2016, the Savannah Project was placed on care and maintenance as a result of depressed nickel prices. During this period of care and maintenance, Panoramic focused on completing a Feasibility Study on the Savannah and Savannah North areas of interest, as well as exploration drilling to better define the resource at Savannah North.

In October 2017, Panoramic released its updated Feasibility Study which highlighted the viability of an eight year mine life across the Savannah and Savannah North areas of interest.

In February 2019, Panoramic made its first shipment of nickel-copper-cobalt concentrate since its decision to restart operations in July 2018. Ore was extracted from the underground orebody at the Savannah Deposit and was shipped from the Wyndham port to Lianyungang, China.

In February 2020, Barmenco Limited (**'Barmenco'**) was appointed by Panoramic to provide underground mining services for the Savannah Project. Panoramic undertook an operational review that concluded in December 2019. This review resulted in the following findings; a requirement for newer mining fleet and equipment, access to superior maintenance and support staff, and recruitment of additional operator skills and expertise. To best implement the changes in this review Panoramic has employed a third party mining contractor and moved away from an owner operator model.

In April 2020, the Company announced that it would be temporarily suspending operations at the Savannah Project. This is partially due to the outbreak of the coronavirus disease (**'COVID-19'**) adversely impacting operations, particularly on transport, cost and availability of staff and sourcing equipment to site. Panoramic has also used the suspension of operations to review its operating strategy, enter discussions regarding additional sources of funding and revisit the plans for the ramp up of Savannah North.

6.3 Corporate Events

In February 2018, Panoramic finalised a fully subscribed rights issue which raised \$20.9 million. The pro-rata 1 for 7 rights issue assisted Panoramic in its pre-production activities at the Savannah Project and developing its Savannah North orebody.

Panoramic announced in July 2018 that it was restarting operations at the Savannah Project following the agreement of terms for a \$40 million Project Finance Facility (**'Facility'**) with Macquarie Bank Limited (**'Macquarie'**).

In September 2018, the Company announced that it had completed the sale of its Lanfranchi Nickel Project to Black Mountain Metals LLC (**'Black Mountain'**). Black Mountain paid cash consideration of \$15.1 million.

Panoramic raised \$5 million via an initial placement of 13,157,895 shares at an issue price of \$0.38 per share in March 2019. This was undertaken in order to satisfy an agreement with Macquarie to raise \$5 million before the end of March 2019.

In April 2019, Panoramic announced that it had completed a fully underwritten rights issue which raised \$14.8 million. This was to satisfy the second portion of Panoramic's agreement with Macquarie, being to raise \$14 million before the end of April 2019. The offer was not fully subscribed, with the underwriter taking up 5,189,213 of the 39,054,489 shares issued.

In June 2019, Panoramic completed a placement of 6,842,105 shares at an issue price of \$0.38 to raise approximately \$2.6 million.

In September 2019, Panoramic completed an underwritten pro-rata 2 for 11 rights issue which raised \$28.2 million. Proceeds from the rights issue were to be used to pay down the Facility held with Macquarie to \$20 million. There was a shortfall of approximately \$5.3 million, which was taken up by the underwriter.

Panoramic executed a \$10.5 million unsecured loan agreement with major shareholder and related party, Zeta, in November 2019. This loan was intended to fill short term working capital requirements until the next equity raising could be completed.

Also in November 2019, Independence Group NL ('IGO') announced an off-market scrip takeover bid for Panoramic. Panoramic established a data room and provided due diligence access to a number of parties, including IGO. In December 2019, IGO announced its intention to let the takeover offer lapse.

In January 2020, Panoramic completed a 1 for 6 rights issue which raised \$32.7 million at a price of \$0.30 per share. Panoramic had reforecast its cash flows to consider reduced production guidance and softening nickel prices, and determined a need for \$30 million of additional capital. The rights issue was undersubscribed, with 32,514,664 shares taken up by the underwriter.

Panoramic signed a Share Purchase Agreement ('SPA') with Regency Gold Corp ('Regency') to divest its platinum interests in January 2020. These interests included the Thunder Bay North Project, located in Northern Ontario and the Panton Project in Western Australia. Total cash consideration was C\$9 million, with C\$4.5 million being deferred.

In February 2020, Panoramic sold 20,237,037 shares in Horizon to Zeta for a total consideration of approximately \$5.5 million or \$0.27 per share. The proceeds of the sale were to be utilised for working capital purposes at the Savannah Project. In March 2020, Panoramic announced the Transaction, whereby the Company is proposing to sell its remaining 18,793,580 shares in Horizon at a price of \$0.20 per share, with 17,183,580 to be sold to Zeta.

The Company closed out its existing hedges for 8,134 tonnes of nickel and 2,636 tonnes of copper, with a face value of US\$125.6 million ('Hedges') in March 2020. The Hedges were no longer deemed to be necessary following a material reduction in the Facility in September 2019.

Zeta agreed to provide an unsecured loan facility to Panoramic for an amount of \$8 million in April 2020. Approximately \$3.4 million of the loan will be offset by the sale of Horizon shares, should it be approved by Shareholders. The loan from Zeta has a maturity date of 30 June 2022 and attracts an interest rate of 6% per annum.

6.4 Macquarie Project Finance Facility

In July 2018, the Company agreed the terms for a loan agreement with Macquarie for provision of a \$40 million Facility. This Facility contained a hedging component to reduce exposure to movements in nickel and copper prices, as well as exposure to USD:AUD movements.

The terms of the Facility were later revised in March 2019 to reflect a slower than expected ramp-up production from the Savannah orebody and depressed metals prices. The first loan repayment was deferred until 30 June 2020 whilst retaining the same repayment end date of 31 December 2021. The Facility was also broken into two tranches comprising a \$30 million senior debt and \$10 million mezzanine component.

The Facility was again modified in September 2019, with the most significant change being a 50% reduction in the size. The Company paid down \$20 million of the Facility with a pro-rata 2 for 11 rights issue completed in September 2019.

The summarised amended terms of the Facility are below:

- Debt - Facility A1 (Senior) - \$20 million;
- Repayments - Quarterly beginning September 2020 and ending in March 2022;
- Minimum liquidity requirements - \$7.5 million removed until mid-2020, then following that the next month's operating costs must be available in cash; and

- Loan Covenants - Project ratios - Debt service cover ratio was removed.

In March 2020, Macquarie made available to the Company a second tranche for the amount of \$10 million. This tranche was opened to cover the cost of closing the Company's remaining Hedges. Payments are to commence on 31 March 2021 and conclude on 31 March 2022.

6.5 Historical Statements of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-19 \$'000	Audited as at 30-Jun-19 \$'000	Audited as at 30-Jun-18 \$'000
CURRENT ASSETS			
Cash and cash equivalents	13,719	12,733	25,430
Trade and other receivables	3,647	19,278	421
Inventories	11,447	8,415	184
Derivative financial instruments	-	3,742	-
Prepayments	962	1,354	246
Disposal group classified as held for sale	4,464	4,299	17,002
TOTAL CURRENT ASSETS	34,239	49,821	43,283
NON-CURRENT ASSETS			
Available-for-sale financial assets	-	-	2,703
Property, plant and equipment	63,217	59,004	10,630
Right-of-use assets	19,637	-	-
Exploration and evaluation	28,768	27,763	45,763
Development properties	95,429	84,745	17,222
Mineral properties	28	29	27
Derivative financial instruments	-	4,409	-
Financial assets at fair value through profit or loss	1,228	957	-
Other non-current assets	181	181	1,303
TOTAL NON-CURRENT ASSETS	208,488	177,088	77,648
TOTAL ASSETS	242,727	226,909	120,931
CURRENT LIABILITIES			
Trade and other payables	28,971	22,094	3,764
Borrowings	26,838	8,082	-
Derivative financial instruments	4,765	2,721	-
Provisions	2,534	2,205	923
Liabilities directly associated with disposal group classified as held for sale	-	-	3,502
TOTAL CURRENT LIABILITIES	63,108	35,102	8,189
NON-CURRENT LIABILITIES			
Borrowings	23,422	38,553	-
Derivative financial instruments	17,479	5,584	-
Provisions	33,061	31,548	26,822
TOTAL NON-CURRENT LIABILITIES	73,962	75,685	26,822
TOTAL LIABILITIES	137,070	110,787	35,011

Statement of Financial Position	Reviewed as at 31-Dec-19 \$'000	Audited as at 30-Jun-19 \$'000	Audited as at 30-Jun-18 \$'000
NET ASSETS	105,657	116,122	85,920
EQUITY			
Contributed equity	240,083	210,109	188,860
Reserves	(614)	20,994	44,589
Accumulated losses	(140,206)	(121,823)	(154,269)
Amounts recognised in equity relating to disposal group	1,200	1,200	-
Non-controlling interests	5,194	5,642	6,740
TOTAL EQUITY	105,657	116,122	85,920

Source: Panoramic's audited financial statements for the years ended 30 June 2018 and 2019 and reviewed financial statements for the half year ended 31 December 2019

We note that Panoramic's auditor included an emphasis of matter in relation to the existence of a material uncertainty relating to the Company's ability to realise its assets and discharge its liabilities in the normal course of business. This uncertainty arose as a result of production at the Savannah Project being lower than expected. The uncertainty around Panoramic's ability to secure additional funding and the inherent risks in mining a new orebody also contributed to the material uncertainty around the going concern assumption. An emphasis of matter was included in the review report for the half year ended 31 December 2019 and the audit report for the year ended 30 June 2019.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$25.4 million at 30 June 2018 to \$12.7 million at 30 June 2019. The decrease of \$12.7 million was primarily a result of payments to suppliers and employees of \$31.2 million, payments for property, plant & equipment of \$25.7 million and development costs associated with the restarting of the Savannah Project of \$47.5 million. This was partially offset by cash inflows of \$24.2 million from nickel sales, \$14.3 million of proceeds from the sale of the Lanfranchi Nickel Project, \$40 million from the drawdown of Macquarie's Facility and \$21.2 million of proceeds from rights issue undertaken during the year.
- Cash and cash equivalents have increased to \$13.7 million at 31 December 2019, with the increase of approximately \$1 million due primarily to receipts from sale of nickel of \$48.5 million, equity raisings of approximately \$30 million and a draw down of a short term loan of \$10.5 million from related party, Zeta. This was partially offset by payments to suppliers and employees of \$32.1 million, payments for property, plant and equipment of \$13.6 million, development costs associated with the Savannah Project of \$15.1 million as well as payments made to Macquarie of \$20.8 million upon the restructuring of the Facility.
- Current borrowings were \$8.1 million at 30 June 2019, which comprised the current portion of the Facility held with Macquarie of \$5.8 million and finance leases of \$1.7 million. The increase to \$26.8 million at 31 December 2019 was a result of the drawdown of the short term from Zeta of \$10.5 million as well as \$10 million of the Facility being reclassified as current. Additionally Panoramic had \$6.0 million of lease liabilities, which had increased from \$1.7 million at 30 June 2019 largely due to the Company's first adoption of the updated AASB 16: Leases standard.

- Non-current borrowings decreased from \$38.6 million at 30 June 2019 to \$23.4 million at 31 December 2019 as a result of the Facility being reduced to \$20 million, as well as a reclassification of part of the loan to current. This was partially offset by the introduction of the new AASB 16: Leases standard which contributed to an \$8.4 million increase in lease liabilities.

6.6 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-19 \$'000	Audited for the year ended 30-Jun-19 \$'000	Audited for the year ended 30-Jun-18 \$'000
Revenue	45,611	25,112	-
Cost of goods sold	(57,087)	(29,803)	-
Gross margin on sale of goods	(11,476)	(4,691)	-
Expenses			
Other income	3,535	2,773	1,714
Mark to market of derivatives	(474)	-	-
Exploration and evaluation expenditure	(866)	(671)	(487)
Exploration expenditure written off	-	(901)	(619)
Reversal of stock obsolescence provision	-	5,341	-
Other expenses	(3,194)	(1,037)	(429)
Fair value losses on derivatives	-	(2,071)	-
Change in fair value of financial assets at fair value through profit or loss	271	(1,511)	-
Impairment loss	-	-	(45,152)
Care and maintenance expenses	(528)	(847)	(5,201)
Corporate and marketing costs	(3,299)	(4,929)	(4,022)
Reversal of impairment loss	-	19,156	7,260
Share based payments	-	-	(160)
Finance costs	(2,800)	(1,383)	(943)
(Loss)/profit before income tax	(18,831)	9,229	(48,039)
Income tax expense	-	-	-
(Loss)/profit for the period	(18,831)	9,229	(48,039)
(Loss)/profit for the period is attributable to:			
Owners of Panoramic Resources Limited	(18,383)	10,327	(40,803)
Non-controlling interests	(448)	(1,098)	(7,236)
(Loss)/profit for the period	(18,831)	9,229	(48,039)
Other comprehensive (loss)/income			
Changes in fair value of available-for-sale financial assets, net of tax	-	-	1,422
Changes in fair value of cashflow hedges, net of tax	(21,608)	(276)	-

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-19 \$'000	Audited for the year ended 30-Jun-19 \$'000	Audited for the year ended 30-Jun-18 \$'000
Exchange differences on translation of foreign operations	-	-	439
Other comprehensive (loss)/income for the period, net of tax	(21,608)	(276)	1,861
Total comprehensive (loss)/income for the period	(40,439)	8,953	(46,178)
Total comprehensive (loss)/income for the period attributable to:			
Owners of Panoramic Resources Limited	(39,991)	10,051	(38,942)
Non-controlling interests	(448)	(1,098)	(7,236)

Source: Panoramic's audited financial statements for the years ended 30 June 2018 and 2019 and Panoramic's reviewed financial statements for the half year ended 31 December 2019

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Panoramic recorded a reversal of impairment loss of \$19.2 million for the year ended 30 June 2019. This was primarily due to the recommencement of operations at the Savannah Project, which was considered to be an indicator of reversal of impairment loss. Panoramic supported this decision with a discounted cash flow calculation for the Savannah Project cash generating unit.
- Panoramic recorded a reversal of impairment loss of \$7.3 million for the year ended 30 June 2018. This was due to a revaluation of the Lanfranchi Nickel Project prior to it being reclassified as held for sale. The impairment loss reversal was booked against exploration expenditure and mineral property expenditure.
- The impairment charge of \$45.2 million for the year ended 30 June 2018 was due to a revaluation downwards of Horizon's Gum Creek project of \$12.6 million and a \$32.6 million revaluation downwards of the Thunder Bay North Project.

6.7 Capital Structure

The share structure of Panoramic as at 4 March 2020 is outlined below:

	Number
Total ordinary shares on issue	763,130,367
Top 20 shareholders	507,871,140
Top 20 shareholders - % of shares on issue	66.55%

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 4 March 2020 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Zeta Resources Limited	268,757,615	35.22%
Subtotal	268,757,615	35.22%
Others	494,372,752	64.78%
Total ordinary shares on Issue	763,130,367	100.00%

Source: Share registry information

7. Economic analysis

Global

The outbreak of the coronavirus disease ('COVID-19') has clouded the near-term outlook for the global economy, with growth rates for the first half of 2020 lower than previously expected. There is a great deal of uncertainty around how COVID-19 will impact the global economy, hinged around the duration of the pandemic, the effects on economic activity from demand and supply disruptions and enforced lockdowns, the volatility in financial markets, as well as the effectiveness of individual country policy responses. Prior to the outbreak, conditions in the global economy remained steady, with available information suggesting that the slowdown in the global economy that started in 2018 was coming to a close. This was supported by expected increases in world growth rates over the coming two years and globally low levels of inflation.

The International Monetary Fund ('IMF') has predicted the global economy to decline by 3% in 2020 due to the fallout from the COVID-19 pandemic. In a baseline scenario where the pandemic fades in the second half of 2020 and containment efforts can be slowly undone, the global economy is predicted to grow by 5.8% in 2021.

Unemployment rates were at a multi-decade low in many countries. In response to COVID-19 and the adverse economic effects, policy measures have been announced by several countries, including China, which will help to support growth.

Interest rates remain low with a number of central banks easing monetary policy over the second half of 2019 and into 2020, and taking further measures in response to changing global conditions. Borrowing rates for both businesses and households along with and long term government bond yields are nearing historical lows in most countries.

Australia

The Australian economy grew at 2% over 2019. The Reserve Bank of Australia ('RBA') had been predicting growth of approximately 2.75% for 2020, based on low interest rates, lower exchange rates, a rise in mining investment, high levels of spending on infrastructure and an expected recovery in residential construction. However as a result of the COVID-19 outbreak and the Australian bushfires, this momentum has been significantly disrupted. The RBA estimates that GDP growth will be half a percentage point lower in the March quarter due to the impact on tourism and education exports alone. The broader economy is likely to feel the impact in coming months, however it is too early to predict the long-term effects.

COVID-19 is currently having a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices have experienced large declines, and the yield on government bonds has fallen to historic lows.

The Federal Government announced a \$17.6 billion stimulus package on 12 March 2020 to provide short-term support to the economy. On 19 March 2020, the RBA announced it would implement a number of measures including:

- lowering the cash rate by a further 25 basis points to 0.25%, along with a commitment to maintain it at this level until progress is made towards full employment and it is confident that mid-term inflation will fall within the 2% to 3% target band;
- a target for the yield on 3-year Australian Government Bonds of approximately 0.25%, which will be achieved through the purchases of Government Bonds in the secondary market;
- a term funding facility for the banking system, with particular support for credit to small and medium-sized businesses, and a complementary program of support for the non-bank financial sector; and
- exchange settlement balances at the RBA will be remunerated at 10 basis points, rather than zero, which will mitigate the cost to the banking system associated with the large increase in banks' settlement balances at the RBA as a result of the policy actions.

Once COVID-19 is contained, the RBA expects the Australian economy to recover and return to an improving trend. In the interim, the RBA is focusing on reducing the economic and financial disruption and supporting jobs, incomes and businesses.

Business investment was slightly lower over 2019 due to an 11% decline in mining investment explained by the decreased in construction associated with the wind-down of Liquefied Natural Gas ('LNG') projects. This decline more than offset the modest growth in investment by non-mining sectors.

Inflation remains low and stable with Consumer Price Index ('CPI') inflation of 1.8% over 2019 and underlying inflation slightly lower. This is below the RBA's mid-term target of 2% to 3%. Domestic inflationary pressures will depend on the long-term impacts of COVID-19 and how business and household expectations of inflation change. The RBA is anticipating inflation to increase slightly to around 2% over 2021 and to remain around this level over the following years.

The unemployment rate fell to 5.1% in February 2020 after remaining stable around 5.25% since April 2019. The outbreak of COVID-19 is expected to delay the progress in Australia towards its full employment target, however the RBA has stated its intention to maintain the cash rate at its current level until progress is made towards full employment. Unemployment rose slightly to 5.2% for the month of March 2020 (recorded on 14 March). We expect this figure to continue to increase in the coming months as the economy continues to feel the impact of COVID-19.

The Australian dollar is currently around its lowest level since 2009, having depreciated significantly against the United States Dollar since late 2018. The decline in Australian interest rates relative to other advanced economies, along with lower commodity prices have contributed to this depreciation.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision 7 April 2020, Statement by Philip Lowe, Governor: Monetary Policy Decision 19 March 2020, Statement by Philip Lowe, Governor and Monetary Policy Decision 3 March 2020, www.abs.gov.au Labour Force, Australia, March 2020.

8. Industry analysis

Following the Transaction, Panoramic will no longer hold an interest in Horizon, therefore removing its exposure to the risks and opportunities of the gold industry. We have presented an industry analysis on the gold industry as this exposure is being divested but also considered the nickel mining industry, which will be the primary focus of Panoramic going forward.

8.1 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however in more recent history there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Historically, the price of gold is negatively correlated to the prices of other asset classes during times of uncertainty and financial crises. Due to the recent coronavirus outbreak sparking uncertainty, the price of gold has rallied as investors demand the high liquidity that gold provides. This increase in the price of gold will positively impact Horizon if this uncertainty prevails.

The World Gold Council expects that the interplay between financial uncertainty, lower interest rates, weakening in global economic growth and gold price volatility will continue to drive gold demand in 2020.

Gold supply (tonnes)	2011	2012	2013	2014	2015	2016	2017	2018	2019
Mine production	2,857	2,929	3,110	3,203	3,301	3,398	3,455	3,509	3,464
Net producer hedging	23	(45)	(28)	105	13	38	(26)	(12)	8
Recycled gold	1,651	1,671	1,248	1,188	1,121	1,282	1,156	1,176	1,304
Total supply	4,531	4,555	4,330	4,496	4,435	4,718	4,585	4,673	4,776

Source: World Gold Council Quarter 4 2019 Statistics, 30 January 2020

The gold ore mining industry has performed steadily in recent years, with growth driven by price increases and slow economic growth. However, gold mine production was 1.3% lower than in 2018, the first annual decline in production since 2008. This decline can be mainly attributed to China's fall in mine output by 6% due to strict environmental restrictions that have come into force in recent years.

Key external drivers

Global gold prices have a significant impact on the revenue generated by industry operators. When gold prices are low, gold miners are less likely to commit to projects with lower gold grades and higher production costs. Ultimately, a decline in gold prices reduces the viability of new and existing projects, which hinders industry growth.

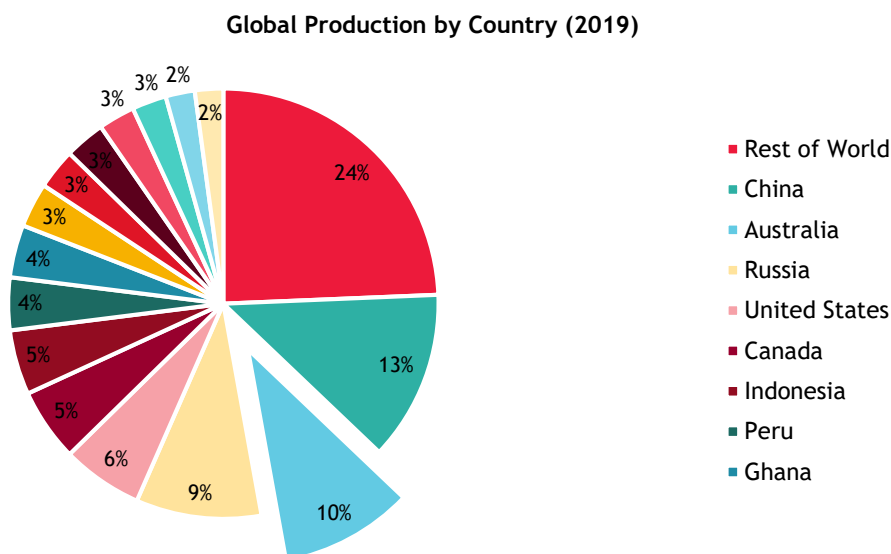
The global gold price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by local industry operators. A weaker Australian Dollar benefits the domestic industry by reducing prices in export markets and pushing up domestic prices, likely resulting in higher volumes.

Global demand for gold is also inversely related to global economic performance. As gold is regarded as a store of value and is particularly sought after during periods of economic uncertainty, demand follows a counter cyclical pattern. Strong global GDP growth can therefore have a negative impact on gold demand and the industry. The recent rally in gold prices, which saw it reach a six-year high in US dollar terms during September 2019, is partly a reflection of ongoing easing of global monetary policies but also of continued geopolitical uncertainty, particularly around the US-China trade negotiations and more recently the outbreak of COVID-19.

Gold ore mining trends

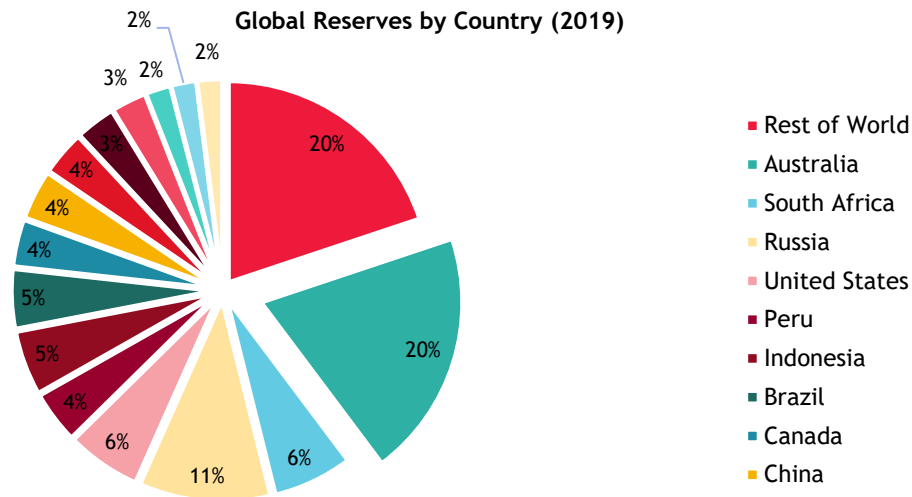
Gold ore mining is a capital intensive and high cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

Until the late 1980s, South Africa produced approximately half of the total gold ore mined globally. More recently however, the industry has diversified geographically and China and Australia now dominate global gold production. According to the United States Geological Survey, total estimated global gold ore mined for 2019 was approximately 3,287 metric tonnes. The chart below illustrates the estimated global gold production by country for 2019.



Source: U.S. Geological Survey

Despite China leading global gold production in 2019, Australia, South Africa and Russia hold the largest known gold reserves globally. As depicted below, the United States Geological Survey estimates that collectively these three countries account for approximately 37% of global gold reserves.



Source: U.S. Geological Survey

According to the 2020 United States Geological Survey, Australia’s gold reserves amount to 10,000 tonnes, representing 20% of global reserves and the largest percentage held by any one country. IBIS World estimates domestic industry revenue to grow by an annualised 0.8% over the five year period through to 2022-23, reaching approximately \$18.8 billion. However, rising production costs due to lower ore quality and higher transportation costs are anticipated to reduce industry profitability over the period.

Gold prices

The price of gold peaked at US\$1,900 on 5 September 2011, due largely to the debt market crisis in Europe and the Standard and Poor’s downgrade of the US credit rating. Global stock markets subsequently went into turmoil, which saw investors opt for the stability offered by gold.

The price of gold fluctuated around US\$1,700 during 2012 before entering a steep decline in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Improved market sentiment and increased risk appetite from investors saw gold prices continue to decline throughout 2014 and 2015 to US\$1,051 in December 2015.

During 2016, gold prices strengthened, likely as a result of heightened uncertainty surrounding the US Presidential election and the United Kingdom’s exit from the European Union. The price of gold reached US\$1,363 in late 2016 before stabilising around US\$1,200 to US\$1,300 throughout 2017.

The gold price fluctuated throughout 2018. In January 2018, the gold price strengthened, rising to approximately US\$1,360, spurred on by a weak US dollar. From April 2018 through to August 2018, the price of gold trended downwards. Prices remained flat through August and September of 2018, before increasing in October and November of 2018.

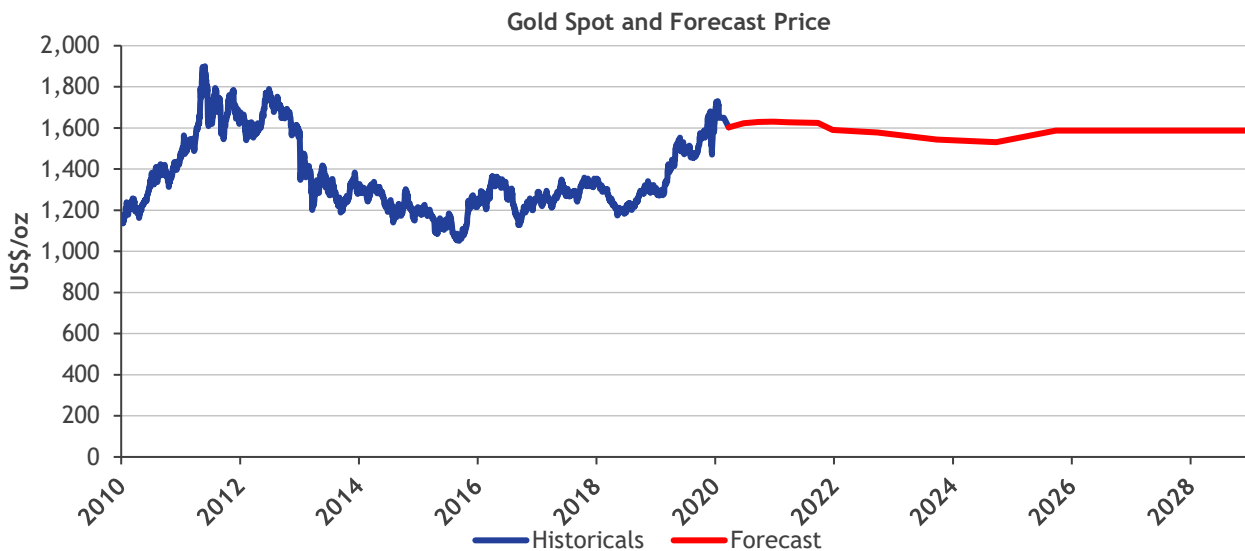
The price of gold reached US\$1,341 in February 2019, before declining to US\$1,270 in May 2019. On 25 June 2019, the US dollar gold price reached a 17-month high of US\$1,423. The rise in the US dollar gold

price, coupled with a weak Australian dollar, saw the Australian dollar spot price of gold reach an all-time high of \$2,046 per oz. In August 2019, the gold price rallied past US\$1,500 reaching six year highs. Demand for gold was primarily driven by investors looking to avoid US-China trade war uncertainties, while civil unrest in Hong Kong further spurred investors to abandon riskier asset classes for safe haven assets. The gold price continued to remain around US\$1,500 throughout October 2019, although it dipped slightly to US\$1,465 in mid-November 2019.

Gold prices have increased in the first quarter of 2020 in reaction to the uncertainty created by the global spread of COVID-19, as investors move to safe haven assets. Global investors are expected to continue to favour gold as a safe haven asset throughout 2020, as higher levels of global risk and uncertainty persist.

According to Consensus Economics forecasts, the price of gold will continue to remain at its current high levels with the uncertainty created by the spread of COVID-19 sustaining the demand for gold.

The gold spot price since 2009 and forecast prices through to 2029 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

8.2 Nickel

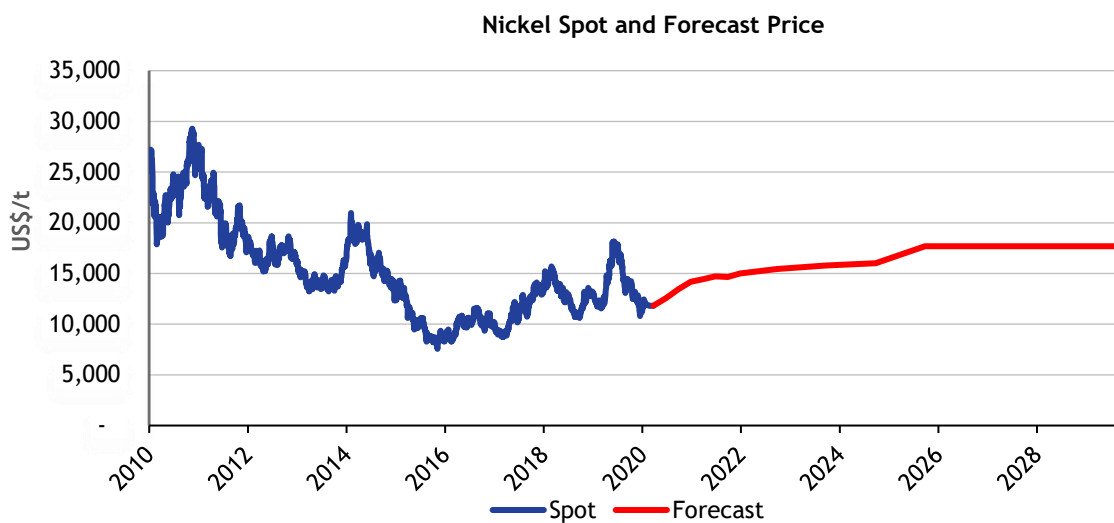
Nickel is primarily sold for use as a refined metal in the form of cathode, powder, or briquette. It is also sold as a ferronickel, and approximately 65% of nickel consumed in the developed world is used to make stainless steel and other non-ferrous alloys. It is widely regarded for its corrosion resistance and is commonly used in super-alloys for fabrication of critical engine components and for other performance products and industries. Other uses include rechargeable batteries, catalysts, plating and foundry products.

Nickel Price

In the aftermath of the global financial crisis, the Nickel price fell alongside most other base metals and commodities. The Nickel price recovered over 2010 and 2011, reaching a high of approximately US\$29,281 per tonne in February 2011 but has never retraced its pre-crisis highs.

The nickel price steadily trended downwards between 2011 and 2017 with the exception of a significant price spike in mid-2014 resulting from an Indonesian government ban on Nickel exports. Indonesia is the world’s largest nickel producer, and while the price impact of the ban was short-lived, renewed concerns have begun to push up the nickel price in recent months as speculators and buyers anticipate future supply shortages.

The average nickel price from April 2019 through March 2020 was US\$14,012 per tonne, ranging from a low of US\$10,806 per tonne on 23 March 2020 to a high of US\$18,153 per tonne on 12 September 2019. According to Consensus Economics, the medium term forecast nickel price from 2021 to 2024 is expected to range between approximately US\$14,100 per tonne and US\$16,000 per tonne, with the long term (2025-2028) forecast at approximately US\$17,700.



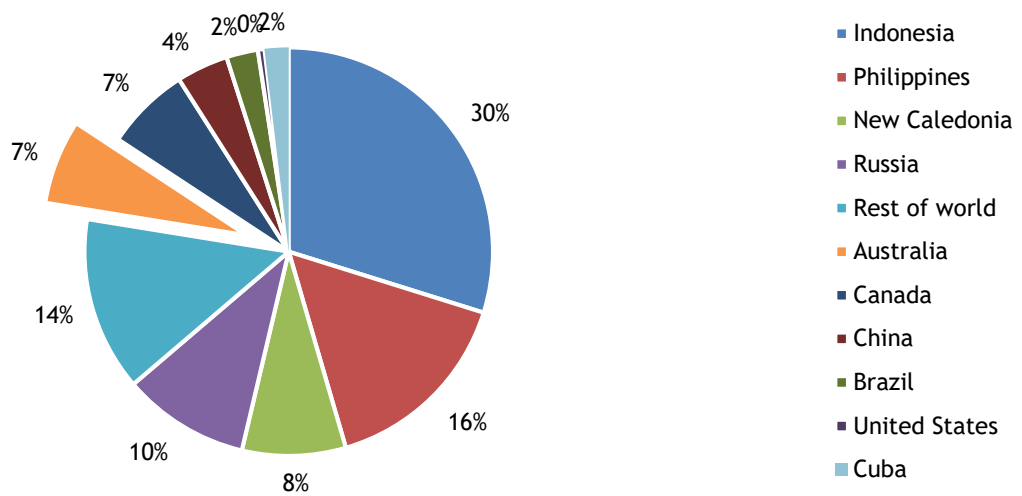
Source: Bloomberg and Consensus Economics

Nickel Production

In 2019, the majority of the world’s nickel was produced in Indonesia (30%), the Philippines (16%), and Russia (10%). Indonesia is the world’s largest Nickel producer, with an estimated 800,000 tonnes mined throughout 2018. While overall production has increased in response to higher prices, in recent years production of refined nickel has decreased as the lower relative cost of nickel pig iron has attracted demand from steel producers. Another key production trend has been the increasing volume of nickel sulfate sold, buoyed by increasing demand for batteries used in electric vehicles and energy storage.

The graphs below illustrate estimated production output for 2019 and nickel reserves by country:

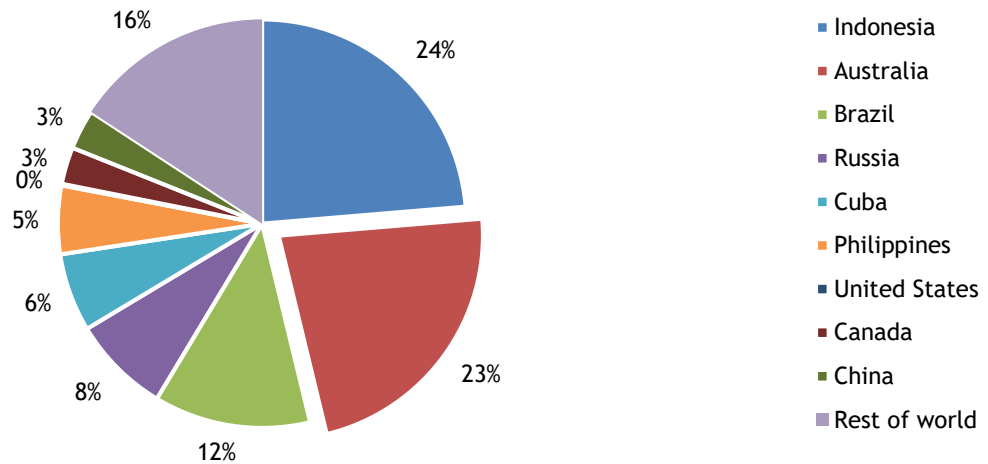
Nickel Production by Country (2019)



Source: U.S. Geological Survey

A figure illustrating the world's Nickel reserves is illustrated below:

Nickel Reserves by Country (2019)



Source: U.S. Geological Survey

COVID-19 has had a direct impact on the nickel mining operations globally and within Australia. There is depressed demand for Nickel in the short term as a result of the pandemic. Chinese economic growth and manufacturing activity has been negatively affected by COVID-19, which has led to a decline in nickel prices in 2020.

A positive for the industry is that there is expected to be some price relief in operating costs due to the falling price of oil. Further, given that nickel prices are predominated in US Dollars, the weakening Australian Dollar against the US Dollar will positively affect Australian nickel producers.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of the shares in Horizon proposing to be sold to Zeta, we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary methodology as this represents the value that Panoramic may be able to realise if it were to progressively sell its holding on market.

We have chosen these methodologies for the following reasons:

- Horizon's mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings, so the FME approach is not appropriate;
- Horizon currently has no foreseeable future net cash inflows, so the application of the DCF valuation approach is not appropriate;
- Consequently, we have adopted the NAV approach as our primary valuation method. Horizon's mineral assets are currently not producing assets and no revenue or cash flows are currently generated by these assets. Therefore, we consider that the NAV approach is best suited for the valuation;
- The core value of Horizon lies in the mineral assets that it holds. We have commissioned SRK Consulting Pty Ltd ('SRK') to provide an independent market valuation of Horizon's mineral assets, which we have incorporated into our NAV approach; and
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Horizon's shares are listed on the ASX. This means there is a regulated and observable market where Horizon's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities.

10. Valuation of Horizon

10.1 Net Asset Valuation of Horizon

The value of Horizon's assets on a going concern basis is reflected in our valuation below:

Horizon Net Asset Value	Reviewed as at 31-Dec-19 \$'000	Notes	Low value \$'000	High value \$'000
CURRENT ASSETS				
Cash and cash equivalents	424	a	160	160
Trade and other receivables	16		16	16
Prepayments	3		3	3
TOTAL CURRENT ASSETS	443		179	179
NON-CURRENT ASSETS				
Property, plant and equipment	4,303	b	4,303	4,303
Exploration and evaluation	16,407	c	23,100	45,000
TOTAL NON-CURRENT ASSETS	20,710		27,403	49,303
TOTAL ASSETS	21,153		27,582	49,482
CURRENT LIABILITIES				
Trade and other payables	191		191	191
Borrowings	257		257	257
Provisions	57		57	57
TOTAL CURRENT LIABILITIES	505		505	505
NON-CURRENT LIABILITIES				
Provisions	10,581	d	10,581	10,581
TOTAL NON-CURRENT LIABILITIES	10,581		10,581	10,581
TOTAL LIABILITIES	11,086		11,086	11,086
NET ASSETS (control)	10,067		16,496	38,396
Discount for minority interest		e	23%	17%
NAV of Horizon (minority)			12,702	31,869
Shares on issue (number)			76,530,617	76,530,617
Value per share (minority) (\$)			\$0.166	\$0.416
Number of shares proposed to be sold to Zeta			17,183,580	17,183,580
Value of shares proposed to be sold to Zeta			\$2,852,007	\$7,155,613

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Horizon since 31 December 2019, other than the adjustments noted below.

a) Cash and cash equivalents

Management have provided us with the unaudited management accounts of Horizon for the period ended 29 February 2020. We have adjusted the reviewed cash and cash equivalents balance at 31 December 2019

to the balance at 29 February 2020, which we have verified by obtaining bank statements to support this balance.

b) Property, plant and equipment

Property, plant and equipment consists primarily of an airstrip and process plant, as well as the power station and village. We have obtained a fixed assets reconciliation supporting the balance of property, plant and equipment at 29 February 2020 and confirmed that there has not been a material movement since 31 December 2019. As such, we have used the reviewed position at 31 December 2019 for the basis of our valuation.

c) Exploration and evaluation

The book value of exploration and evaluation costs reflect capitalised historical expenditure, we have adjusted this to market value. As stated in section 9 of our Report, we instructed SRK to provide an independent market valuation of the mineral assets of Horizon. For our NAV we have used the below range of values for Horizon's exploration assets, as assessed by SRK.

The range of values for Horizon's exploration asset as assessed by SRK is set out below:

Mineral Asset Valuation	Low value \$'000	Preferred value \$'000	High value \$'000
Value of Gum Creek Project Mineral Resources	17,500	24,900	32,300
Value of Gum Creek Project Mineral Resources	5,600	10,100	12,700
Total	23,100	35,000	45,000

Source: Independent Technical Specialist Valuation Report prepared by SRK

The table above indicates a range of values between \$23.1 million and \$45.0 million, with a preferred value of \$35.0 million. We note that the preferred value of SRK is based on a midpoint between the low and high values because SRK has no strong preference for either end of the value range. SRK also notes the degree of uncertainty involved with valuing these mineral assets which is the reason for the wide range. Based on our review of the SRK report and the methodology used, we do not consider there to be sufficient grounds to rely on the midpoint as a preferred value. Therefore, we have considered the entire valuation range in arriving at our opinion without weighting.

Further information on the above valuations can be found in SRK's report at Appendix 3 of our Report.

d) Provisions

The provisions balance relates to \$10.6 million of rehabilitation in relation to Gum Creek, the remaining balance relates to employee leave entitlements. We have obtained the consolidated management accounts of Horizon as at 29 February 2020 and confirmed there has not been a material movement since 31 December 2019. As such, we relied on the reviewed balance of provisions at 31 December 2019 in valuing Horizon.

e) Minority discount

As outlined in section 3.3 of our Report, in assessing fairness we have compared the value of a Horizon share on a minority basis to the cash consideration per share received from Zeta.

A minority interest discount is the inverse of a premium for control and is calculated using the formula $(1 - (1 \div (1 + \text{control premium})))$. As discussed below, we consider an appropriate control premium for Horizon to be in the range of 20% to 30%, giving a minority interest discount in the range of 17% to 23%.

10.1.1 Control premium analysis

We have reviewed the control premiums paid by acquirers of general mining companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2019	12	143.74	42.83
2018	10	96.04	56.52
2017	5	13.91	35.21
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	16	111.11	47.28
2013	17	117.99	63.99
2012	17	219.10	54.03
2011	21	811.55	37.42
2010	21	555.11	50.61

Entire Data Set Metrics	Average Deal Value (AU\$m)	Average Control Premium (%)
Mean	302.11	52.12
Median	44.48	41.63

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- nature and magnitude of non-operating assets;
- nature and magnitude of discretionary expenses;
- perceived quality of existing management;
- nature and magnitude of business opportunities not currently being exploited;
- ability to integrate the acquiree into the acquirer's business;
- level of pre-announcement speculation of the proposed transaction; and
- level of liquidity in the trade of the acquiree's securities.

The table above indicates the long term average control premiums paid by acquires of all mining companies listed on the ASX is approximately 52%. However, in assessing the sample of transactions included in the table, we noted transactions that appear to be extreme outliers. There outliers included 16 transactions in which the announced premium was in excess of 100%. When these outliers are removed, the average of control premium paid by acquirers was approximately 41%.

In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the review period was approximately 42%.

In determining the appropriate control premium appropriate for Horizon, we considered a number of factors, noting that the average control premium is influenced by factors such as whether the consideration is cash or scrip and the deal size. In the case of Horizon, based on our research and considerations set out above, we believe that an appropriate control premium to apply to our valuation of Horizon's shares is between 20% and 30%. We consider it appropriate to adopt a lower control premium than those premiums observed historically because of the smaller size of Horizon, as well as the fact that it already has large shareholders and is thinly traded. Further, the level of uncertainty arising as a result of COVID-19, may result in a potential acquirer not being willing to pay a control premium in line with historical averages.

10.2 Quoted Market Prices for Horizon's securities

To provide a comparison to the valuation of Horizon in Section 10.1, we have also assessed the QMP for a Horizon share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

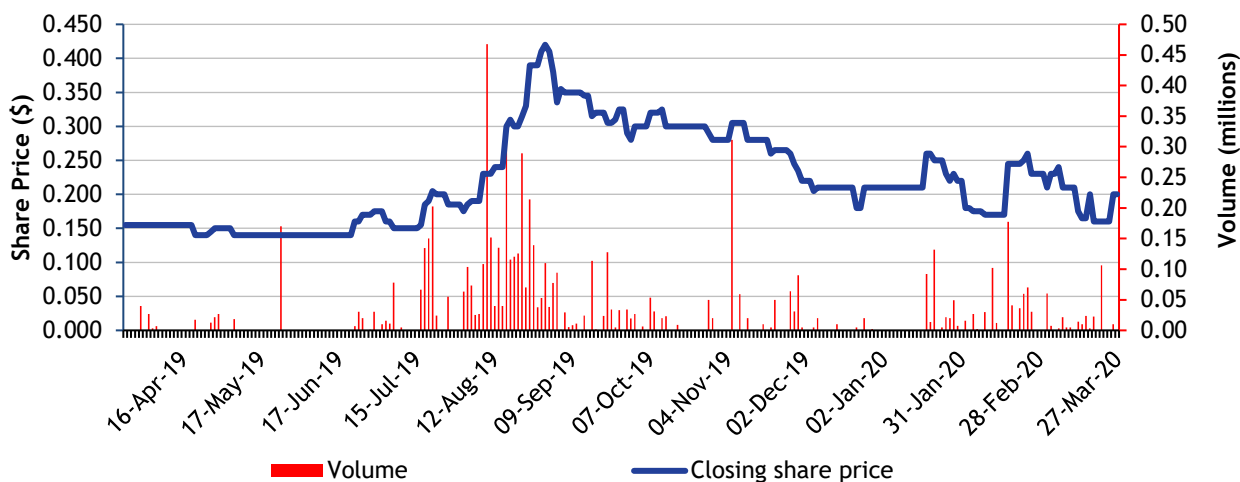
As outlined in section 3.3 of Our Report, given that prior to the Transaction, Zeta holds 71.13% of the voting power of Horizon, we consider that Zeta already exerts a practical level of control over Horizon. As such, we have determined that it is appropriate to assess the value of a Horizon share on a minority interest basis.

Minority interest value

Our analysis of the QMP of a Horizon share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Horizon share after the announcement may include the effects of any change in value as a result of the Transaction.

Information on the Transaction was announced to the market on 30 March 2020. Therefore, the following chart provides a summary of the share price movement over the 12 months to 27 March 2020, which was the last trading day prior to the announcement.

Horizon share price and trading volume history



Source: Bloomberg

The daily price of Horizon shares from 26 March 2019 to 27 March 2020 has ranged from a low of \$0.140 on 20 June 2019 to a high of \$0.420 on 29 August 2019. The daily volume of shares traded fluctuated largely over the year. The highest single day of trading over the assessed period was 8 August 2019, when 467,681 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$	(movement)	\$	(movement)
26/03/2019	Broad Zn-Cu mineralisation confirmed over 450m at Altair	0.155	▶ 0%	0.155	▶ 0%
02/04/2019	Additional Broad Zn-Cu mineralisation intercepted at Altair	0.155	▶ 0%	0.155	▶ 0%
26/04/2019	March 2019 Quarterly Cashflow Report	0.140	▶ 0%	0.150	▲ 7%
26/04/2019	March 2019 Quarterly Activities Report	0.140	▶ 0%	0.150	▲ 7%
12/07/2019	Mineral Resources as at 30 June 2019	0.150	▶ 0%	0.185	▲ 23%
16/07/2019	Altair Exploration Update	0.155	▲ 3%	0.205	▲ 32%
22/07/2019	Change in substantial holding	0.200	▼ 2%	0.185	▼ 8%
22/07/2019	Change in substantial holding from ZER	0.200	▼ 2%	0.185	▼ 8%
24/07/2019	June 2019 Quarterly Cashflow Report	0.200	▶ 0%	0.185	▼ 8%
24/07/2019	June 2019 Quarterly Activities Report	0.200	▶ 0%	0.185	▼ 8%
02/08/2019	MacEquity Partners Investor Conference Presentation	0.190	▲ 3%	0.230	▲ 21%
13/08/2019	Change in substantial holding	0.240	▶ 0%	0.310	▲ 29%
16/08/2019	Ceasing to be a substantial holder	0.310	▲ 3%	0.315	▲ 2%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)		\$	(movement)	
26/09/2019	Horizon Full Year Results 30 June 2019	0.325	▸ 0%		0.300	▼ 8%	
15/10/2019	Opportunity to Unlock Value at Swan and Swift	0.300	▸ 0%		0.300	▸ 0%	
25/10/2019	September 2019 Quarterly Cashflow Report	0.300	▸ 0%		0.280	▼ 7%	
25/10/2019	September 2019 Quarterly Activities Report	0.300	▸ 0%		0.280	▼ 7%	
20/11/2019	Results of 2019 AGM	0.265	▲ 2%		0.265	▸ 0%	
20/11/2019	2019 AGM Presentation	0.265	▲ 2%		0.265	▸ 0%	
20/11/2019	2019 AGM - Chairman's Address	0.265	▲ 2%		0.265	▸ 0%	
20/11/2019	Open Pit Scoping Study Completed	0.265	▲ 2%		0.265	▸ 0%	
21/11/2019	Board Changes	0.265	▸ 0%		0.260	▼ 2%	
25/11/2019	Management Agreement Extended	0.265	▸ 0%		0.235	▼ 11%	
06/01/2020	App 3Y - Paul Bennett	0.210	▸ 0%		0.210	▸ 0%	
28/01/2020	Resignation and Appointment of Company Secretary	0.220	▼ 4%		0.220	▸ 0%	
29/01/2020	December 2019 Quarterly Activities Report	0.230	▲ 5%		0.180	▼ 22%	
29/01/2020	December 2019 Quarterly Cashflow Report	0.230	▲ 5%		0.180	▼ 22%	
18/02/2020	Sell-down of Panoramic Resources' Shareholding	0.245	▲ 44%		0.245	▸ 0%	
18/02/2020	Partial Sale of Horizon Gold Shareholding	0.245	▲ 44%		0.245	▸ 0%	
20/02/2020	Cleansing Notice	0.245	▸ 0%		0.260	▲ 6%	
20/02/2020	Change in substantial holding from PAN	0.245	▸ 0%		0.260	▲ 6%	
21/02/2020	Change in substantial holding from ZER	0.245	▸ 0%		0.230	▼ 6%	
13/03/2020	Half Yearly Report and Accounts	0.175	▼ 17%		0.200	▲ 14%	

On 26 March 2019, Horizon released an announcement highlighting stage two drill results at the Altair Prospect and that further drilling was to take place. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.155 and remained unchanged at the end of the subsequent three day trading period.

On 2 April 2019, Horizon released an announcement highlighting stage two drill results at the Altair Prospect and that further drilling was to take place. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.155, and remained unchanged at the end of the subsequent three day trading period.

On 26 April 2019, Horizon released its March 2019 quarterly cash flow and activities reports, which detailed drilling results at Swan and Swift deposits as well as the Altair Prospect. On the date of the announcement, the share price closed unchanged from the previous trading day at \$0.140, before increasing 7% over the subsequent three day trading period to close at \$0.150.

On 12 July 2019, Horizon released its revised MRE which showed that the total resource has increased by 138,000 oz to 1.39 million oz. On the date of the announcement the share price closed unchanged from

the previous trading day at \$0.150, before increasing 23% over the subsequent three day trading period to close at \$0.185.

On 16 July 2019, Horizon released an announcement outlining results from recent Moving Loop Electro Surveying done on the Altair Prospect. On the date of the announcement the share price increased 3% to close at \$0.155, before increasing 32% over the subsequent three day trading period to close at \$0.205.

On 24 July 2019, Horizon released its June 2019 quarterly cash flow and activities reports, which detailed evaluation studies were being undertaken at Swan and Swift, as well as metallurgical work on samples from the Altair Prospect. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.200, before decreasing 8% over the subsequent three day trading period to close at \$0.185.

On 2 August 2019, Horizon released its presentation to MacEquity Partners highlighting geology from Swan and Swift gold deposits and results of recent work done at the Altair Prospect. On the date of the announcement the share price increased 3% to close at \$0.190, before increasing 21% over the subsequent three day trading period to close at \$0.230.

On 13 August 2019, Horizon released an announcement that there was a change in JPMorgan Asset Management's substantial holding. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.240, before increasing 29% over the subsequent three day trading period to close at \$0.310.

On 15 October 2019, Horizon released an announcement highlighting drill results at Swan and Swift deposits and that a Scoping Study was underway. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.300, and remained unchanged at the end of the subsequent three day trading period.

On 25 October 2019, Horizon released its September 2019 quarterly cash flow and activities reports, which detailed progress of the Scoping Study being undertaken at Swan and Swift, as well as updates on drilling at the Altair Prospect. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.300, before decreasing 7% over the subsequent three day trading period to close at \$0.280.

On 20 November 2019, Horizon released an announcement that it had completed its scoping study on the Swan and Swift deposits, highlighting viability of open pit mining operations. On the date of the announcement the share price increased 2% to close at \$0.265, and remained unchanged at the end of the subsequent three day trading period.

On 25 November 2019, Horizon released an announcement that it would be continuing its management agreement with Panoramic, who provides day to day management services to Horizon. On the date of the announcement the share price closed unchanged from the previous trading day at \$0.265, before decreasing 11% over the subsequent three day trading period to close at \$0.235.

On 29 January 2020, Horizon released its December 2019 quarterly cash flow and activities reports, which detailed the outcomes of the Scoping Study undertaken at the Swan and Swift deposits. On the date of the announcement the share price increased 5% to close at \$0.230, before decreasing 22% over the subsequent three day trading period to close at \$0.180.

On 18 February 2020, Horizon released an announcement detailing the sell down of Panoramic's shareholding in Horizon. On the date of the announcement the share price increased 44% to close at \$0.245, and remained at this level three days after the announcement.

On 13 March 2020, Horizon released its half year report and accounts for the half year ended 31 December 2019. On the date of the announcement the share price decreased 17% to close at \$0.175, before increasing 14.3% over the subsequent three day trading period to close at \$0.200.

To provide further analysis of the market prices for a Horizon share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 27 March 2020.

Share Price per unit	27-Mar-20	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.200				
Volume weighted average price (VWAP)		\$0.167	\$0.219	\$0.222	\$0.226

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Horizon shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Horizon shares for the twelve months to 27 March 2020 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.200	\$0.200	-	0.00%
10 Days	\$0.160	\$0.200	175,519	0.23%
30 Days	\$0.160	\$0.270	705,907	0.92%
60 Days	\$0.160	\$0.275	1,236,062	1.62%
90 Days	\$0.160	\$0.275	1,542,908	2.02%
180 Days	\$0.155	\$0.420	6,344,813	8.29%
1 Year	\$0.140	\$0.420	6,897,506	9.01%

Source: Bloomberg, BDO analysis

This table indicates that Horizon's shares display a low level of liquidity, with 9.01% of the Company's current issued capital being traded in a twelve month period. RG 111.69 states that for the QMP methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Horizon, we consider it to have a low level of liquidity. This is on the basis that only 9.01% of the cumulative volume of Horizon's securities have been traded over the 12 months prior to 27 March 2020. Further, our analysis of share price movements following the announcements made by the company

indicate that there are large unexplained price movements and significant share price volatility. The existence of two major shareholders, being Panoramic and Zeta, means there is limited free float available, therefore the market price may not reflect the market value of the company.

Our assessment is that a range of values for Horizon shares based on market pricing, after disregarding post announcement pricing, is between \$0.170 and \$0.220. Pursuant to the Transaction, the Company proposes to sell 17,183,580 shares in Horizon which based on the above range of values would be valued between \$2,921,209 and \$3,780,388.

10.3 Assessment of the value of Panoramic's shares in Horizon that are proposed to be sold to Zeta

The results of the valuations performed are summarised in the table below:

	Low	High
	\$	\$
NAV (Section 10.1)	2,852,007	7,155,613
QMP (Section 10.2)	2,921,209	3,780,388

Based on the above we consider the value of Panoramic's Horizon shareholding to be between \$2,852,007 and \$7,155,613. We note that:

- the value of Panoramic's 17,183,580 shares in Horizon when valued at \$0.20 per share, being the price that was paid by professional and sophisticated investors (not related to Panoramic), gives a value of \$3,436,716. This value supports the lower portion of our range; and
- the QMP value also supports the lower portion of our valuation range.

We have chosen to rely solely on the NAV for the purposes of determining our range for the following reasons:

- The core value of Horizon lies in the mineral assets that it holds and we have commissioned SRK, an independent technical specialist to value these assets;
- As detailed in section 10.2, Horizon shares are thinly traded with only approximately 9% of Horizon's issued capital traded in the twelve months to 27 March 2020. We do not consider there to be deep market for Horizon's shares and have therefore concluded that it would not be appropriate to rely on the QMP in forming our valuation range.

We note that the value of a Horizon share is greater under the NAV for the following reasons:

- Horizons shares are illiquid, therefore the company's share price may not reflect the underlying value of the company; and
- The assumptions used by SRK to value Horizon's mineral assets and exploration potential may be more optimistic than those adopted by the market. Further, investors may have a different view on equity markets in general, as a result of the uncertainty created by the spread of COVID-19.

10.4 Assessment of the value of Panoramic Options and ‘make-whole’ payments

Pursuant to the Transaction being approved, Panoramic will transfer its 17,183,580 shares in Horizon to Zeta. Additionally, Panoramic will either issue 28,520,525 Panoramic Options or incur a ‘make-whole’ cash payment to Zeta depending on whether Resolution 2 is approved. In the event that Shareholders do not approve Resolution 1, the Company is required to either issue 50 million Panoramic Options or incur higher ‘make-whole’ cash payments to Zeta, the amounts of which are detailed in section 4 of Our Report.

By approving the Transaction (Resolution 1), Panoramic receives the benefit of not being required to issue the additional 21,479,475 Panoramic Options or the additional ‘make-whole’ cash payments of between \$343,672 and \$1,031,016 (depending on when the Zeta Loan is repaid). Therefore, we have deducted the Value Differential from the value of the shares that are proposed to be sold to Zeta.

10.4.1. Assessment of the Value Differential for the Panoramic Options

If Resolution 2 is approved, the Company will issue 28,520,525 Panoramic Options to Zeta. If Resolution 1 is not approved, and Resolution 3 is approved, the Company will issue 50,000,000 Panoramic Options to Zeta. We have used a Black-Scholes Option Pricing Model to value the Panoramic Options. We have assessed the valuation of 28,520,525 Panoramic Options to be \$1,426,026 and the value of 50,000,000 Panoramic Options to be \$2,500,000, giving a Value Differential of \$1,073,974. Further information on the valuation of the Panoramic Options can be found at Appendix 4.

Item	If Resolution 1 and Resolution 2 is approved	If Resolution 1 is not approved and Resolution 3 is approved	Value Differential
Number of Panoramic Options	28,520,525	50,000,000	N/A
Value per Panoramic Option	\$0.050	\$0.050	-
Valuation of the Panoramic Options	\$1,426,026	\$2,500,000	\$1,073,974

Source: BDO analysis

10.4.2. Assessment of the Value Differential for the ‘make-whole’ cash payments

If Resolution 2 is not approved, Panoramic will be required to make cash ‘make-whole’ payments, pursuant to the agreement between Panoramic and Zeta in relation to the Zeta Loan. Further, if Resolution 1 and Resolution 3 are not approved Panoramic will be required to make higher ‘make-whole’ payments.

In assessing the value of these cash payments, we have discounted the payments to their present value at a discount rate of 10.5%. The discount rate that we have used is our assessed weighted average cost of capital (‘WACC’) for Panoramic. We have summarised our calculations in the table below. Further information on our analysis of an appropriate discount rate can be found at Appendix 5. We note that given the short time frame of discounting, the discount rate assessment is not material to our analysis.

Present value of 'make-whole' payments	If Resolution 1 is approved and Resolution 2 is not approved (\$)	If Resolution 1 and Resolution 3 are not approved (\$)	Present Value of the Value Differential (\$)
If the Zeta Loan is repaid in full on or before 30 June 2020	444,634	779,499	334,865
If the Zeta Loan is repaid in full between 1 July 2020 and 30 June 2021	804,768	1,410,859	606,091
If the Zeta Loan is repaid in full between 1 July 2021 and 30 June 2022	1,092,445	1,915,196	822,748

Source: BDO analysis

10.4.3. Conclusion on value being transferred to Zeta

The net value that is being transferred to Zeta is assessed by deducting the Value Differential from the value of the 17,183,580 Horizon shares being sold to Zeta.

Prior to any approvals in relation to the Transaction, Panoramic has a liability to repay the Zeta Loan, including the 'make-whole' cash payment (which varies based on the repayment date), or it can discharge its obligation to pay the 'make-whole' cash payment through the issue of Panoramic Options. We have assumed that Shareholders, after being presented with all available information, act rationally in their decision on whether to approve the issue of the Panoramic Options. Our analysis in section 10.4.1 and section 10.4.2 shows that the present value of the 'make whole' cash payments is less than the value of the Panoramic Options. Therefore, we have used the Value Differential in relation to the 'make-whole' cash payments in determining the net value that is being transferred to Zeta. The maximum Value Differential forms the basis of our low valuation and the minimum Value Differential is used in our high valuation.

We have summarised the net value to be transferred to Zeta in the table below.

	Ref	Low \$	High \$
Value of 17,183,580 shares in Horizon	10.3	2,852,007	7,155,613
Less: Value Differential from the present value of cash 'make-whole' payments	10.4.2	(822,748)	(334,865)
Net value being transferred to Zeta		2,029,259	6,820,748

Source: BDO analysis

We note the high value in our range above assumes that Panoramic repay the loan prior to 30 June 2020, in the event that the loan is repaid in full between 1 July 2021 and 30 June 2022, the net value transferred would reduce to \$6,332,865. However, for the purposes of our opinion we have used the maximum net value that would be transferred.

11. Valuation of Consideration

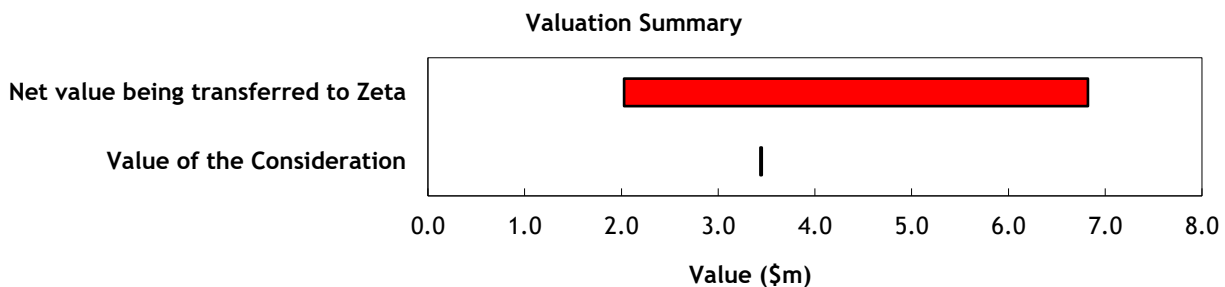
The Consideration to be received by Panoramic for the sale of its 17,183,580 Horizon shares is in the form of an offset against the principal owing on the Zeta Loan. The total value of the Consideration is calculated based on the consideration of \$0.20 per share. Therefore, pursuant to the Transaction, the total value of the Consideration to be received for the sale of 17,183,580 shares in Horizon to Zeta, is \$3,436,716.

12. Is the Transaction fair?

The net value being transferred to Zeta and the value of the Consideration to be offset against the Zeta Loan is compared below:

	Ref	Low \$	High \$
Net value being transferred to Zeta	10.4.3	2,029,259	6,820,748
Value of total Consideration to be offset against Zeta Loan	11	3,436,716	3,436,716

We note from the table above that the total Consideration to be received is within the range of values being transferred to Zeta, therefore the Transaction is fair for Shareholders. This is illustrated graphically below.



In particular, we note that the value of Panoramic's 17,183,580 shares in Horizon when valued at \$0.20 per share, being the price that was paid by professional and sophisticated investors (not related to Panoramic), gives a value of \$3,436,716. This value supports the lower portion of our range and is equal to the amount to be offset against the Zeta Loan.

13. Is the Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Panoramic a premium over the value resulting from the Transaction.

An alternative proposal that may be available to Panoramic is to dispose its shares in Horizon on market. Given the illiquidity of the Company's shares, it is likely that if Panoramic were able to dispose of its holdings on market, it would be at a significant discount to the current market price of Horizon. Based on

an analysis of historical trading volumes, it is likely that Panoramic's holding of 17,183,580 shares would take in excess of 100 days to trade and therefore, in our opinion, would attract a discount of approximately 25%. Therefore, we do not consider this to be an appropriate or superior alternative that is available to Panoramic. We have also considered the daily market depths of trading of Horizon shares and our observations support that if Panoramic were to sell its shares on market, it would likely be at a significant discount to the current market price.

13.2 Consequences of not Approving the Transaction

13.2.1. Alternate sources of funding are likely to be required

On 15 April 2020, Panoramic announced that it had suspended its operations at the Savannah Project due to complications resulting from COVID-19. Following this decision, the Company has announced that it decreased its corporate headcount and reduced remuneration of key executives to lower corporate overheads. The Company also announced that further capital expenditure is required to develop the Savannah North area of the Savannah Project. As such, with the suspension of the Savannah Project, the Company will require alternate sources of cash flow to fund its corporate costs and working capital. Further, it will require additional funding in order to fund the capital expenditure at Savannah North, if and when it chooses to develop this area.

Panoramic has a fully drawn Facility with Macquarie and has also fully drawn its Zeta Loan. The Facility (with Macquarie) is split into a \$20 million and \$10 million tranche, which have repayment schedules commencing in September 2020 and March 2021 respectively. The Zeta Loan is repayable by 30 June 2022.

The funding options available to Panoramic are considered below.

Equity funding

Panoramic may consider an equity raise as an alternative source of funding. The details of the Company's recent capital raisings are summarised below.

Date	Amount Raised \$'000,000	Amount Subscribed \$'000,000	Subscribed Percentage	Discount on closing share price Percentage
Apr-19	14.80	12.87	87%	17.4%
Jun-19	2.60	2.60	100%	17.4%
Sep-19	28.20	22.90	81%	17.6%
Jan-20	32.70	22.95	70%	16.7%

Source: ASX Announcements and BDO analysis

The general trend based on the above table is that the Company's capital raisings have been undersubscribed. The capital raisings in April 2019, September 2019 and January 2020 were all underwritten, with underwriting and sub-underwriting fees totalling between 4.25% and 5.25%. Therefore, if an underwriter is used for future equity raisings, the Company would continue to incur underwriting fees which means that the Company is required to issue additional shares, which is dilutive to existing Shareholders' interests. The capital raising in June 2019 was fully subscribed as this was a placement to Panoramic's major shareholder, Zeta. Panoramic has historically issued shares at a discount of approximately 17% to the closing share price at the date of the announcement of the placement.

We considered the discount at which shares have been issued over the last three years, by ASX listed companies. A summary of our results is set out in the table below.

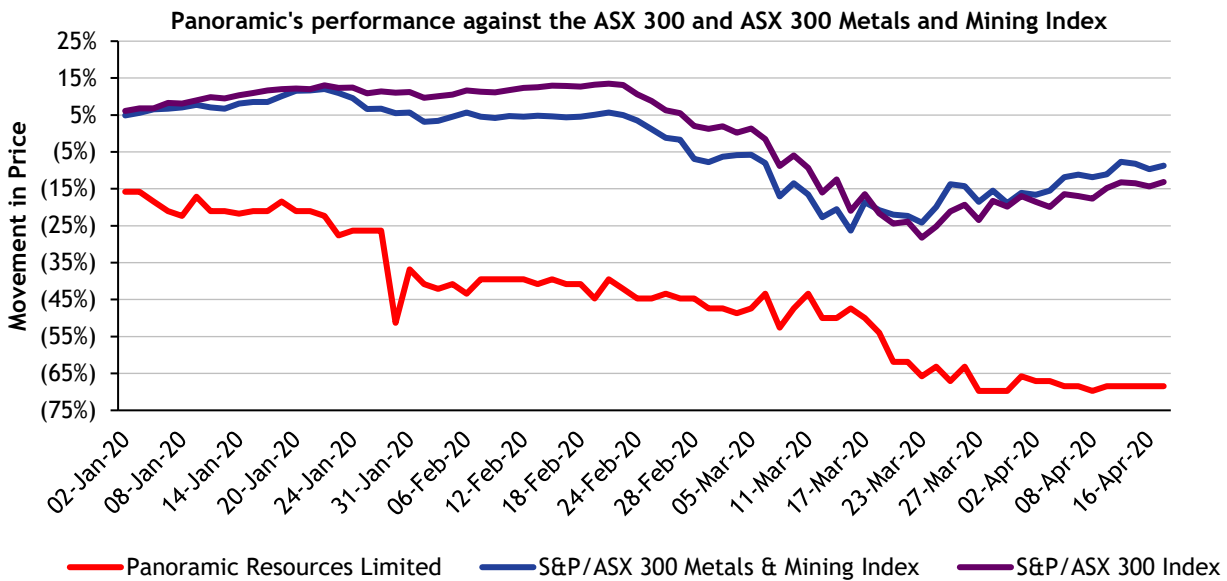
	Market cap <\$100m	All companies
All ASX		
No. companies	1,161	1,527
Mean discount	17.9%	16.5%
Median discount	15.7%	14.2%
ASX Mining		
No. companies	571	656
Mean discount	18.0%	17.6%
Median discount	15.5%	15.2%

Source: Bloomberg and BDO analysis

From our analysis, the average (mean) discount for ASX listed mining companies was 17.6%. We have also considered the median of 15.2% as this represents a better measure of central tendency for datasets with a wide range. We have also considered the discounts at which ASX listed companies with a market capitalisation of less than \$100 million (a bracket which the market capitalisation of Panoramic falls) have raised capital. This shows that the discounts by these smaller companies are broadly comparable but marginally higher than the averages observed across the entire ASX and mining industry. This further supports our view that if Panoramic were to raise capital via an equity raising, it would likely be at a discount to the current market price and therefore would be dilutive to existing Shareholders' interests.

Further, the above analysis does not consider the impact of COVID-19 on the price at which Panoramic could raise capital from equity markets. COVID-19 has had a significant impact on global equity markets, with a reduction in funds available for investment, a result of a contraction in economic activity. Further, declining market prices has impacted investor confidence, which may also make it difficult for the Company to raise capital via an equity raise. We also note that the Company is currently suspended from trading on ASX, since it announced the suspension of its operations at its Savannah Project. Therefore, the current market price does not currently reflect all available information in relation to the Company's operations.

Over the period from 2 January 2020 to 17 April 2020, the ASX 300 Index declined 28.23% and the ASX 300 Metals and Mining Index declined by 26.31%. There has been a greater decline in Panoramic's share price with it decreasing 69.9% over the same period.



Source: Capital IQ

We note that other mining companies that have raised capital during the period following the outbreak of COVID-19 have done so at a significant discount. For example, Bellevue Gold Limited announced a capital raise of \$26.55 million on 25 March 2020, at a placement discount of approximately 42% to the 30 day VWAP prior to announcing the capital raise. Also, Saturn Metals Limited announced a capital raise of \$2.96 million on 30 March 2020, at a placement discount of 45% to the 30 day VWAP prior to announcing the capital raise.

Based on the above analysis, it is possible that as a result of COVID-19 and Company specific factors, any additional equity raises may be at a discount in excess of historical averages. Therefore, if Panoramic were to raise capital under current market conditions, it would likely be at a significant discount to already depressed market prices. This means that any equity raise would be dilutive to existing Shareholders' interests, assuming they do not participate in the raising.

Debt funding

Panoramic's primary third party debt financier is Macquarie. However, Macquarie revised the terms of its Facility in March 2019 and again in September 2019, the most significant change being a 50% reduction in the size of the Facility in September 2019. Given that Macquarie reduced the size of the Facility available to Panoramic, it appears unlikely that additional debt funding will be provided by Macquarie on similar terms. If additional debt funding were provided it would likely be at more onerous terms to Panoramic, therefore reducing the value of existing Shareholders' interests in the Company.

Zeta, has provided the Company with a short term loan facility with a principal of \$8 million. This loan is unsecured and attracts interest at a rate of 6%. As this is a related party loan this may not be reflective of a cost of debt that the Company could obtain from a third party on arms' length terms. Further, there are 'make whole' cash payments and Panoramic Options attached to this financing package (refer Resolution 2 and Resolution 3). Based on our analysis of comparable company debt, it is unlikely that Panoramic could obtain additional debt funding on terms more favourable than its existing funding. For example, Nickel Mines Limited is an Australian nickel producer who has a secured loan with an interest rate of 6% plus US LIBOR or 2.5%, whichever is greater. This loan was entered into in August 2019. As such, if the Company were able to obtain additional debt funding, it would likely be on more onerous terms than the debt it

currently has, therefore alternative debt funding is likely to reduce the value of existing Shareholders' interests.

13.2.2 Impact on the Zeta Loan

The Zeta Loan is required to be repaid in full by 30 June 2022, and is subject to additional 'make-whole' cash payments, the quantum of which are dependent on when the amount owing is paid in full. Subject to shareholder approval (Resolution 2 or Resolution 3) these 'make-whole' cash payments can be settled via the issue of Panoramic Options. For terms of the Panoramic Options see the table below.

Item	Resolution 2	Resolution 3
Number of Options	28,520,525	50,000,000
Exercise price	\$0.16	\$0.16
Issue date	27 March 2020	27 March 2020
Expiry date	27 March 2023	27 March 2023
Expiration period (years)	3.00	3.00
Exercise Conditions	None	None

Source: ASX Announcement 3 April 2020

The amount of cash or the number of Panoramic Options required to settle the Zeta Loan is dependent on whether the Transaction (Resolution 1) is approved. If the Transaction is not approved the cash outgoings or Panoramic Options to be issued will be higher than if the Transaction is approved.

If the Transaction is approved, the Company will:

- Complete the sale of 17,183,580 Horizon shares;
- Use the Consideration to offset the principal owing on the Zeta Loan; and
- If Resolution 2 is passed, issue 28,520,525 Panoramic Options to Zeta.

If the Transaction is not approved, the Company:

- Will not complete the sale of 17,183,580 Horizon Shares;
- Will not be able to use the Consideration to offset the principal owing on the Zeta Loan; and
- If Resolution 3 is passed, issue 50,000,000 Panoramic Options to Zeta.

If Shareholders do not approve the issue of Panoramic Options to Zeta under Resolution 3, the Company, pursuant to the Zeta Loan agreement, will be required to make certain additional 'make-whole' cash payments to Zeta. The quantum of these 'make whole' cash payments are determined with reference to when the Zeta Loan is repaid in full. The payments based on the respective repayment dates are as follows:

Repayment Date	Resolution 2 not approved (\$)	Resolution 3 not approved (\$)
If the Zeta Loan is repaid in full on or before 30 June 2020	456,328	800,000
If the Zeta Loan is repaid in full between 1 July 2020 and 30 June 2021	912,656	1,600,000
If the Zeta Loan is repaid in full between 1 July 2021 and 30 June 2022	1,368,984	2,400,000

Source: Loan Agreement between Zeta and Panoramic

Based on the table above, Panoramic will make cash payments in the range of \$800,000 to \$2,400,000 if both the Transaction and Resolution 3 are not approved. If the Transaction is approved and Resolution 2 is not approved, the range of payments will be \$456,328 to \$1,368,984. We note that at each repayment milestone date the cash outlay is lower if the Transaction is approved.

We have valued the Panoramic Options using the Black-Scholes Option Pricing Model. For the values assigned to the Panoramic Options under both resolutions see the table below. For further details on the inputs used to determine these values, refer to Appendix 4.

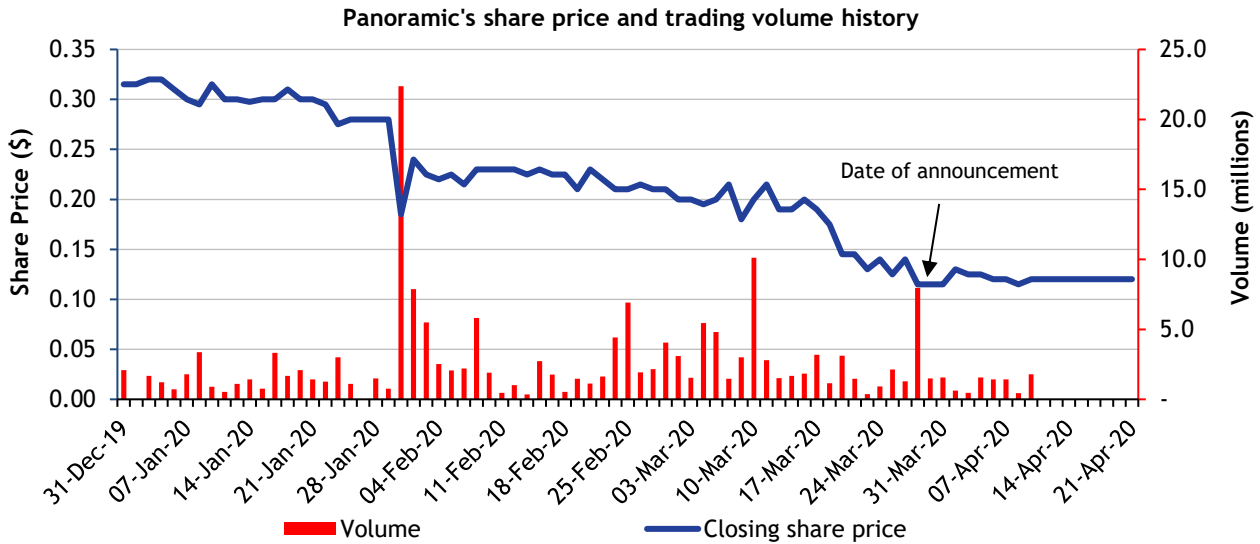
Item	Resolution 2	Resolution 3
Number of Options	28,520,525	50,000,000
Valuation per Option	\$0.050	\$0.050
Valuation per Tranche	\$1,426,026	\$2,500,000

Source: BDO analysis

Therefore, if the Transaction is not approved the Company will either issue an additional 21,479,475 Panoramic Options (Value Differential of \$1,073,974) or have a greater cash outlay (Value Differential of between \$334,865 and \$822,748).

13.2.3 Post-announcement pricing

We have analysed movements in Panoramic’s share price since the Transaction was announced. A graph of Panoramic’s share price since the announcement is set out below.



Source: Bloomberg

The closing share price of a Panoramic share from 31 December 2019 to 21 April 2020 has ranged from a low of \$0.115 on 8 April 2020 and several days in March 2020, to a high of \$0.320 on 2 January and 3 January 2020. On 30 March 2020, being the date the Transaction was announced, 1,485,785 shares were traded, representing approximately 0.2% of the Company’s current issued share capital.

Following the announcement of the Transaction, Panoramic’s share price decreased from a volume weighted average price of \$0.185 over the 30 days prior to the announcement of the Transaction, to close at \$0.115 on 30 March 2020. We note that following the announcement of the Transaction, the share price has remained stable, however this is largely due to the suspension of the Company’s shares on 15 April 2020.

Based on the above analysis, if the Transaction is not approved, it is unlikely that the share price of Panoramic will decline. If there is a decline in share price, it is unlikely to be wholly attributable to the Transaction not being approved by Shareholders.

13.3 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

Advantage	Description
The Transaction is fair	As set out in Section 12 the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
The Transaction allows Panoramic to preserve its cash balance	The Transaction consideration is to be offset against the principal owing on the short term facility provided by Zeta. Given that cash inflows are limited due to the suspension of operations at the Company’s Savannah Project, this Transaction may allow the

Advantage	Description
	<p>Company to preserve its cash to use for working capital purposes. In addition to reducing the balance of the Zeta Loan, approving the Transaction will mean that if Resolution 2 is not approved, the ‘make whole’ cash payments will be lower by between \$343,672 and \$1,031,016, depending on when the Zeta Loan is repaid. Again, this may help Panoramic preserve its cash reserves. A detailed assessment of the Company’s funding alternatives can be found in section 13.2.</p>
<p>The Transaction allows the Company to focus on its Savannah Project</p>	<p>The proposed sale of Panoramic’s shares in Horizon allows the Company to focus on its core nickel asset, the Savannah Project. Panoramic historically played an active role in the management of Horizon. Historically, Panoramic had a representative on the Board of Horizon and it also provided commercial, technical and management services to Horizon. Following the Transaction, this involvement will cease, allowing the Company to focus on recommencing operations at its Savannah Project and the potential development of the Savannah North area.</p>
<p>Shares have been sold to unrelated third parties on the same terms as those provided to Zeta</p>	<p>The Transaction relates to the sale of 17,183,580 shares in Horizon at a price of \$0.20 per share, to Zeta. As at the date of Our Report, the Company has sold 1,610,000 shares to professional and sophisticated investors also at a price of \$0.20 per share. These professional and sophisticated investors are not related to Panoramic. Therefore, an advantage of this Transaction is that an arms’ length transaction has occurred on equivalent terms to those being offered to Zeta, a related party of Panoramic.</p>
<p>If the Transaction is approved, Panoramic avoids the possibility of issuing 50 million Panoramic Options or incurring the higher ‘make whole’ cash payments</p>	<p>As detailed in section 13.2.2, if the Transaction is approved, Panoramic must either issue 28,520,525 Panoramic Options or make cash payments of up to \$1,368,984. However, if the Transaction is not approved, Panoramic must issue 50 million Panoramic Options or make cash payments of up to \$2,400,000 on top of the amount owing under the Zeta Loan. Therefore, an advantage of approving the Transaction is that Panoramic avoids issuing the additional Panoramic Options or making the higher cash payment to Zeta.</p>
<p>The Transaction provides Shareholders with certainty of value</p>	<p>The Consideration to be received has a fixed value, being the amount of the principal amount to be offset against the Zeta Loan. The Company’s shareholding in Horizon is a high risk asset, with downside risk such that the value of Panoramic’s investment in Horizon may be worth less than the Consideration in the future. A discussion of the upside potential in relation to the Horizon shares is</p>

Advantage	Description
	covered as a disadvantage of approving the Transaction in section 13.4 below.

13.4 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
By approving the Transaction, Shareholders forego the opportunity to participate in any upside of Horizon’s gold projects	<p>If the Transaction is approved, Shareholders will forego its exposure to Horizon’s gold assets. We note that the value ranges presented in our assessment of whether the Transaction is fair for Shareholders indicate that there is upside above the value of the Consideration as evidenced by the fact our high value of the value being transferred to Zeta is higher than the value of the Consideration. This is largely driven by the wide range of values provided by SRK in its valuation of Horizon’s mineral assets. SRK noted in its report that the preferred value (being a midpoint between the low and high values) and the range was indicative of the uncertainty associated with the mineral assets. With this uncertainty, there is potential upside, however if Shareholders approve the Transaction, they will forego the opportunity to participate in this upside, should it materialise.</p> <p>We also note that in times of economic uncertainty, gold is often considered a safe haven asset as it maintains its value. Therefore, by divesting its interest in Horizon and therefore its exposure to Horizon’s gold assets, Shareholders may have a greater exposure to any downside that continues to exist as a result of COVID-19. Notwithstanding, the value of companies in the gold sector have also been negatively impacted by COVID-19.</p>
Loss of diversification	<p>If the Transaction is approved Panoramic will be focussed solely on nickel development and production. The price of nickel is historically volatile as evidenced by nickel prices having annualised volatility of 30% over the five year period ended 21 April 2020, compared to gold which has an annualised volatility of 13% over the same period. By divesting its interest in Horizon, it removes any diversification that the Company has to movements in the price of nickel and the outlook of the nickel industry. Therefore, the profitability of the Company as well as the ability for the Company to raise capital in the future, will among other factors, be</p>

Disadvantage	Description
	dependent on the nickel price and the outlook of the nickel industry.
The change in risk profile may not align with Shareholders' risk preferences	If the Transaction is approved, Panoramic will go from being a Nickel producer, developer and explorer with an interest in gold exploration assets, to a company solely nickel operations. Shareholders may have invested in Panoramic on the basis that they preferred to have the interest in Horizon to mitigate the high risk nature of Panoramic's nickel operations. Notwithstanding, Shareholders may purchase a direct interest in Horizon should this Transaction not suit the risk profile of their portfolio.

14 Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to Shareholders.

15 Sources of information

This report has been based on the following information:

- Notice of General Meeting and Explanatory Statement;
- Draft term sheets outlining the funding arrangements in the Transaction, between Panoramic and Zeta;
- Audited financial statements of Panoramic for the years ended 30 June 2019 and 30 June 2018, and reviewed financial statements for the half-year ended 31 December 2019;
- Audited financial statements of Horizon for the years ended 30 June 2019 and 30 June 2018, and reviewed financial statements for the half-year ended 31 December 2019;
- Independent Technical Specialist and Valuation Report by SRK;
- International Monetary Fund World Economic Outlook;
- Unaudited management accounts of Horizon for the period ended 28 February 2020;
- Share registry information;
- RBA Monetary Policy Decision dated 7 April 2020, 19 March 2020 and 3 March 2020;
- Australian Bureau of Statistics - Labour Force, March 2020;
- World Bank;
- Bloomberg;
- Australian Government bond yield obtained from Reserve Bank of Australia;
- Consensus Economics, April 2020 edition;
- S&P Capital IQ;
- United States Geological Survey; and
- Discussions with Directors and Management of Panoramic.

16 Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of approximately \$34,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Panoramic in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Panoramic, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Panoramic, Horizon and Zeta and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Panoramic, Horizon and Zeta and their respective associates.

A draft of this report was provided to Panoramic and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17 Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Adam Myers and Ashton Lombardo of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources Leader for BDO and a former Chairman of BDO in Western Australia.



Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants. Ashton has over eight years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

18 Disclaimers and consents

This report has been prepared at the request of Panoramic for inclusion in the Explanatory Memorandum and Notice of Meeting which will be sent to all Panoramic Shareholders. Panoramic engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed sale of part of its remaining shareholding in Horizon, to Zeta.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum and Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum and Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation the Transaction. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Panoramic, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Horizon.

The valuer engaged for the mineral asset valuation, SRK, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.



The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

Sherif Andrawes

Director

A handwritten signature in black ink, appearing to read 'Adam Myers'.

Adam Myers

Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Barmenco	Barmenco Limited
BDO	BDO Corporate Finance (WA) Pty Ltd
BFS	Bankable Feasibility Study
Black Mountain	Black Mountain Metals LLC
CAPM	Capital Asset Pricing Model
The Company	Panoramic Resources Limited
Consideration	The amount received as consideration for the sale of Panoramic's shares to Zeta, which is to be offset against the principal of the short term unsecured loan provided by Zeta to Panoramic
Corporations Act	The Corporations Act 2001 Cth
COVID-19	The outbreak of the coronavirus disease
CPI	Consumer Price Index
DCF	Discounted Cash Flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Facility	The Project Finance Facility provided by Macquarie
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service

Reference	Definition
FSG	Financial Services Guide
Gum Creek	Gum Creek Gold Project
Hedges	Panoramic's existing hedges with Macquarie for 8,134 tonnes of nickel and 2,636 tonnes of copper
Horizon	Horizon Gold Limited
IGO	Independence Group Limited
IMF	International Monetary Fund
IPO	Initial Public Offering
Jinchuan	Jinchuan Group Limited
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Km	Kilometres
LNG	Liquefied Natural Gas
Macquarie	Macquarie Bank Limited
Mining Plus	Mining Plus Pty Ltd
MRE	Mineral Resource Estimate
MW	Mega Watt
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by BDO
Oz	Ounces
Panoramic	Panoramic Resources Limited
Panoramic Gold	Panoramic Gold Pty Ltd
Panoramic Options	Options issued by Panoramic to Zeta that have an exercise price of \$0.16 and expiration date 3 years from issue
Post Announcement Trading Period	The period after Panoramic announced its sale of Horizon shares on 30 March 2020

Reference	Definition
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regency	Regency Gold Corp
Resolution 1	Panoramic's proposed sale of 17,183,580 shares in Horizon to Zeta at a price of \$0.20 per share
Resolution 2	Proposed issue of 28,520,525 Panoramic options to Zeta at an exercise price of \$0.16 and expiration date 3 years from issue
Resolution 3	Proposed issue of 50,000,000 Panoramic options to Zeta at an exercise price of \$0.16 and expiration date 3 years from issue
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 76	Related party transactions
Savannah Project	The Savannah Nickel Project
Shareholders	Shareholders of Panoramic not associated with Zeta
Sino	Sino Mining International Limited
SPA	Share Purchase Agreement
SRK	SRK Consulting Pty Ltd
TPA	Tonnes per annum
The Transaction	Panoramic's proposed sale of 17,183,580 shares in Horizon to Zeta at a price of \$0.20 per share
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
Value Differential	The differential in value between the outcomes resulting from the approval or non-approval of Resolution 1 of the Notice of Meeting

Reference	Definition
VWAP	Volume Weighted Average Price
WA	Western Australia
WACC	Weighted average cost of capital
Zeta	Zeta Resources Limited
Zeta Loan	\$8 million unsecured loan facility provided by Zeta to Panoramic in April 2020

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The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO, WA 6008
Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the QMP of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.



Appendix 3 - Independent Valuation Report

Independent Specialist Report on the Mineral Assets of Horizon Gold Limited

Report prepared for

**Panoramic Resources Limited and
BDO Corporate Finance (WA) Pty Ltd**



Report prepared by



SRK Consulting (Australasia) Pty Ltd

PAN013

April 2020

Independent Specialist Report on the Mineral Assets of Panoramic Resources Limited

Panoramic Resources Limited

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Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by Panoramic Resources Limited (Panoramic) to prepare an Independent Expert Report (IER) for inclusion within a Notice of Meeting to be provided to the shareholders of Panoramic. The IER relates to a proposed sell-down of Panoramic's shareholding in Horizon Gold Limited (Horizon) to Zeta Resources Limited (Zeta) at a price of A\$0.20 per share. Panoramic and Zeta have a common director, Mr Peter Sullivan, and Panoramic is a substantial shareholder in Horizon. The proposed transaction requires shareholder approval pursuant to ASX Listing Rule 10.1 (Proposed Transaction).

Following the commissioning of BDO, Panoramic has subsequently engaged SRK Consulting (Australasia) Pty Ltd (SRK) to prepare an Independent Specialist Report (ISR) in relation to matters on which BDO is not an expert. SRK's scope of work was to provide an independent technical assessment and opinion as to the market value of the mineral assets held by Horizon, which comprise the Gum Creek Gold Project and its related tenure (the Project).

The Project is located approximately 640 km northeast of Perth, and 90 km from the nearest town of Sandstone. Good-quality unsealed roads from either Sandstone, Meekatharra or Wiluna lead to the Project area. The closest airports with scheduled commercial services are at Wiluna and Meekatharra, located 129 km northwest and 144 km northeast, respectively, from the Project. There are no material topographic or climatic impediments to exploration and development year-round.

The Project's tenure spans a combined area of approximately 616 km² extending over an 80 km strike length. It comprises a coherent tenement package of 8 granted Exploration Licences, 19 granted Mining Licences, 3 granted Prospecting Licences and 10 granted Miscellaneous Licences. All tenements are held in the name of Horizon's wholly owned subsidiary company, Panoramic Gold Pty Ltd (PanGold). SRK accessed WA Tenograph Online on 8 April 2020 to verify this status.

Approximately 37 open pits and 3 underground mines have been developed over the Project's history. Over the 12-year period between 1987 and 1999, a total of 7,746,348 t of ore was treated at an average grade of 3.6 g/t Au for 851,682 oz Au recovered. Between 1999 and 2005 an additional 1 Moz Au was recovered. No mining has occurred at the Project since 2005, although significant historical infrastructure exists. This includes a gravel airstrip, a rock-capped tailings storage facility (TSF), workshops and stores, and a carbon-in-leach (CIL) processing plant designed for 500,000 tpa throughput. Currently, a full refurbishment would be required to return this facility to operational status.

The Project hosts numerous current Mineral Resource estimates (Table ES-1). The current total Mineral Resource at the Project is 15.89 Mt at an average grade of 2.7 g/t Au containing 1.39 Moz Au. Approximately 61% of the contained ounces are free-milling, and the remaining 39% at the Wilsons, Shiraz and Heron South deposits are refractory. All Mineral Resources have been reported in accordance with the JORC Code (2012) guidelines. In SRK's opinion, the Mineral Resource estimates have been prepared to a suitable quality standard and are a reasonable representation of global grades and tonnages available for valuation purposes. There are no current Ore Reserve estimates for the Project.

Table ES-1: Current Mineral Resource estimate for the Gum Creek Project as at 30 June 2019

Resource	Resource Date	Cut-off grade (g/t Au)	Mineralisation Type	Indicated		Inferred		Total		Contained Gold (oz)
				Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
Open Pit Resources										
Swan OC	May-19	0.5	Free Milling	80,000	8.8	880,000	6.8	960,000	7.0	216,000
Swift OC	May 19	0.5	Free Milling	100,000	5.0	740,000	7.5	840,000	7.2	195,000
Heron South	Aug-16	0.5	Refractory	1,140,000	2.2	2,000	1.3	1,140,000	2.2	80,000
Howards	Jul-13	0.4	Free Milling	5,250,000	1.1	720,000	1.0	5,970,000	1.1	204,000
Specimen Well	Aug-16	0.5	Free Milling			360,000	2.0	360,000	2.0	23,000
Toedter	Aug-16	0.5	Free Milling			690,000	1.5	690,000	1.5	34,000
Shiraz	Jul-13	0.4	Refractory	2,480,000	0.8	440,000	0.8	2,920,000	0.8	78,000
Underground Resources										
Swan UG	May-19	2.5	Free Milling	10,000	12.9	280,000	8.4	280,000	8.6	78,000
Swift UG	May-19	2.5	Free Milling			70,000	4.9	70,000	4.9	10,000
Kingfisher UG	Aug-16	3.5	Free Milling			390,000	6.1	390,000	6.1	77,000
Wilson's UG	Jul-13	1.0	Refractory	2,130,000	5.3	140,000	6.0	2,270,000	5.4	391,000
Total				11,190,000	2.0	4,700,000	4.3	15,890,000	2.7	1,388,000

Source: Horizon Annual Report, October 2019

In November 2019, Horizon reported that a Scoping Study into the development of the Project had resulted in a positive outcome and that feasibility studies are planned for 2020.

SRK's recommended valuation ranges and preferred values are detailed in the Valuation section of this Report and are summarised in Table ES-2. SRK developed its valuation ranges on the basis of the perceived potential of the Mineral Assets. SRK has positioned its preferred values at the midpoint of the ranges, as it has no strong preference for either end of the value ranges.

Table ES-2: Valuation Summary as at 20 April 2020*

Mineral assets	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Gum Creek Project Mineral Resources	17.5	32.3	24.9
Gum Creek Project Exploration Potential	5.6	12.7	10.1
Total	23.1	45.0	35.0

Any discrepancies between values in the table are due to rounding.

*Excludes the carrying book value of A\$4.3M associated with plant and equipment as noted in the Horizon Annual Report, 2019.

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Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Panoramic Resources Limited (Panoramic). The opinions in this Report are provided in response to a specific request from Panoramic to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

List of Abbreviations

A\$	Australian dollar
Abelle	Abelle Limited
AGREQ	Australian Government's Resources and Energy Quarterly
AIG	Australian Institute of Geoscientists
Apex	Apex Minerals Limited
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	Base Acquisition Cost
BDO	BDO Corporate Finance (WA) Pty Ltd
BIF	banded iron formation
CIL	carbon-in-leach
DHEM	downhole electromagnetic geophysical survey
g/t	grams per tonne
GCGB	Gum Creek Greenstone Belt
ha	hectares
Harmony	Harmony Gold Mining Company Limited
Horizon	Horizon Gold Limited
IER	Independent Expert Report
Independence	Independence Group NL
IER	Independent Expert Report
IP	induced polarisation
ISR	Independent Specialist Report
JORC Code	Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012)
koz	kilo-ounces
km	kilometres
LBMA	London Bullion Market Association
Legend	Legend Mining Limited
m ³	cubic metres
MLEM	moving loop electromagnetic (a geophysical technique)
Moz	million ounces
Mt	million tonnes
Newexco	Newexco Services Pty Ltd
NTA	<i>Native Title Act 1993 (Cth)</i>
OES	Outcrop Exploration Services Pty Ltd
oz	ounces
PanGold	Panoramic Gold Pty Ltd
Panoramic	Panoramic Resources Limited
QA/QC	quality assurance and quality control
RAB	rotary air blast

RC	reverse circulation
RICS	Royal Institution of Chartered Surveyors
SEDEX	sedimentary exhalative
SRK	SRK Consulting (Australasia) Pty Ltd
t	tonnes
tpa	tonnes per annum
TSF	tailings storage facility
US\$	United States dollar
VALMIN Code	Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets (2015)
Valuation Date	20 April 2020
VHMS	volcanic-hosted massive sulphide
VMS	volcanogenic massive sulphide
Zeta	Zeta Resources Limited

1 Introduction and Scope of Report

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by Panoramic Resources Limited (Panoramic) to prepare an Independent Expert Report (IER) for inclusion within a Notice of Meeting to be provided to the shareholders of Panoramic. The IER relates to a proposed sell-down of Panoramic's shareholding in Horizon Gold Limited (Horizon) to Zeta Resources Limited (Zeta) at a price of A\$0.20 per share. Panoramic and Zeta have a common director, Mr Peter Sullivan, and Panoramic is a substantial shareholder in Horizon. The proposed transaction requires shareholder approval pursuant to ASX Listing Rule 10.1 (Proposed Transaction).

Following the commissioning of BDO, Panoramic subsequently engaged SRK Consulting (Australasia) Pty Ltd (SRK) to prepare an Independent Specialist Report (ISR) in relation to matters on which BDO is not an expert. SRK's scope of work was to provide an independent technical assessment and opinion on the market value of the Gum Creek Gold Project (the Project) and its related tenure (collectively the Mineral Assets). Panoramic holds an indirect interest in the Mineral Assets via its interest in Horizon.

SRK's ISR has been prepared in accordance with the guidelines outlined in the Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets (VALMIN Code, 2015), which incorporates the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012). As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of, and production from, those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this valuation, the Mineral Assets were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study.
- **Production Projects** – Tenure holdings – particularly mines, borefields and processing plants – that have been commissioned and are in production.

Based on its review of the Mineral Assets, SRK considers that the Gum Creek Project is classified as being at the pre-development stage with associated advanced exploration tenure in accordance with the VALMIN Code (2015).

1.1 Reporting standard

The authors of this ISR are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes. For the avoidance of doubt, this Report has been prepared according to:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- The 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

The peer reviewer of this ISR, Mr Jeames McKibben, is a Registered Valuer and Chartered Valuation Surveyor with the Royal Institution of Chartered Surveyors (RICS). As a result, this Report may be subject to monitoring by RICS under its Conduct and Disciplinary Regulations. This Report does not comply with the RICS 2017 Valuation Standards, otherwise known as the 'Red Book', as SRK is required to provide a valuation range that reflects the highest and lowest likely Market Values of the Project in accordance with its mandate.

As per the VALMIN Code (2015), a first draft of the Report was supplied to Panoramic to check for material error, factual accuracy and omissions before the final Report was issued.

For the purposes of this Report, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion (VALMIN Code, 2015).

SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between the owners of the Mineral Assets and any other parties including Panoramic and Zeta.

1.2 Work program

This assignment commenced in April 2020, with a review of publicly available data and other information sourced by SRK from literature, as well as subscription databases such as S&P Global Market Intelligence database services. Panoramic also provided SRK with access to an online dataroom.

In accordance with Section 11.1 of the VALMIN Code (2015), SRK is satisfied that there is sufficient current information available to allow an informed evaluation to be made without a site inspection given that the Mineral Assets are at a relatively early stage of technical assessment. In SRK's opinion, a site inspection is not likely to reveal information or data that are material to its Report.

1.3 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

1.4 Valuation date

The Valuation Date of this Report is 20 April 2020.

1.5 Project team

This Report has been prepared by a team of consultants from SRK's offices in Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below and in Table 1-1.

Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc (Hons), MBA, FAusIMM

Karen has 25 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, investment due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory services in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe.

Karen is a Fellow of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

Jeames McKibben, Principal Consultant (Project Evaluation), BSc (Hons), MBA, FAusIMM(CP), MAIG, MRICS

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 25 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the geological evaluation and valuation of mineral projects worldwide.

Jeames is a Fellow of the AusIMM, a Member of the AIG, and a Member of RICS. He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

Table 1-1: Details of the qualifications and experience of the consultants

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Karen Lloyd	Associate Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Technical assessment and valuation	25 years: 7 years in consulting, 3 years in funds management, 7 years in strategic planning, 8 years in operations	None	MBA, BSc (Hons), FAusIMM
Jeames McKibben	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Peer review	25 years: 15 years in valuation and corporate advisory, 2 years as an analyst and 8 years in exploration and project management roles	None	MBA, BSc (Hons) FAusIMM(CP), MAIG, MRICS

1.6 Limitations, reliance on information, declaration and consent

1.6.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Panoramic throughout the course of SRK's investigations as described in this ISR, which in turn reflects various technical and economic conditions current at the time of writing. Such technical information as provided by Panoramic was taken in good faith by SRK. SRK has not independently verified the Mineral Resource estimates by means of recalculation.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by Panoramic was complete and not incorrect, misleading or irrelevant in any material aspect. Panoramic has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by Panoramic was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.6.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

In December 2019, the SRK Perth office prepared an ISR on the mineral assets of Panoramic (December 2019 ISR). The December 2019 ISR included SRK's opinion on the market value of the mineral assets held by Horizon and was prepared in relation to a proposed off-market takeover offer by Independence Group NL (Independence) for all of Panoramic's issued capital (Proposed Takeover). Independence announced on 27 December 2019 that it intended to allow the Proposed Takeover offer to lapse, which ultimately occurred on 20 January 2020.

1.6.3 Indemnities

As recommended by the VALMIN Code (2015), Panoramic has provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- Which results from SRK's reliance on information provided by Panoramic or Panoramic not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.6.4 Consent

SRK consents to this Report being included, in full, in Panoramic and BDO's documents in the form and context in which it is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessment and valuation expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.6.5 Consulting fees

SRK's estimated fee for completing this ISR is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and the availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$10,000. The payment of this professional fee is not contingent upon the outcome of this Report.

2 Mineral Assets of Horizon Gold Limited

Horizon holds a 100% equity interest in the Gum Creek Gold Project (the Project) and its related tenure. The tenure holding spans a combined area of approximately 616 km² extending over an 80 km strike length. The Project comprises a coherent tenement package of 8 granted Exploration Licences, 19 granted Mining Licences, 3 granted Prospecting Licences and 10 granted Miscellaneous Licences. Numerous historical prospects and current Mineral Resource estimates are recorded within the confines of the Project (Figure 2-1). At present, Horizon is principally focused on the technical assessment of the Swan-Swift resources and the Altair copper-zinc prospect. All tenements (Table 2-1) are held in the name of Horizon's wholly owned subsidiary company, Panoramic Gold Pty Ltd (PanGold). SRK accessed WA Tenograph Online on 8 April 2020 to verify this status.

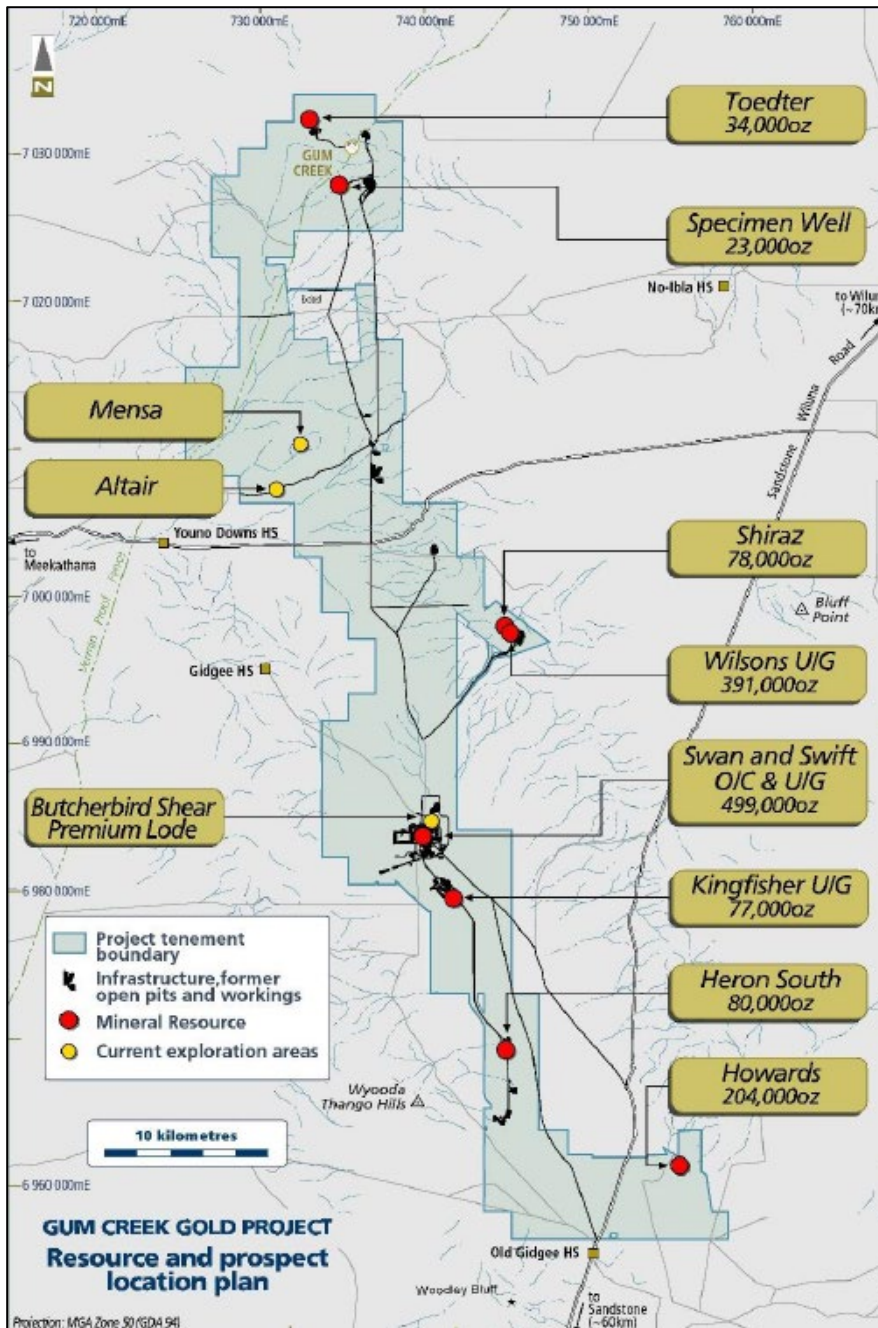


Figure 2-1: Project Overview

Source: Panoramic Management Information

Table 2-1: Gum Creek Project Tenement Schedule

Tenure	Interest (%)	Grant	Expiry	Area	Unit	Area (km ²)
E 57/1105	100%	02/05/2019	01/05/2024	25	blocks	70.31
E 51/1844	100%	23/01/2018	22/01/2023	23	blocks	61.25
E 57/1104	100%	10/06/2019	09/06/2024	12	blocks	36.52
E 57/1093	100%	15/01/2019	14/01/2024	20	blocks	59.69
E 53/1955	100%	19/01/2018	18/01/2023	34	blocks	82.33
E 51/1538	100%	04/02/2014	03/02/2024	29	blocks	86.47
E 57/1100	100%	22/01/2019	21/01/2024	5	blocks	15.25
E 53/1725	100%	04/07/2013	03/07/2023	30	blocks	88.86
M 51/458	100%	09/02/1993	09/02/2035	619.95	ha	6.20
M 53/10	100%	17/11/1983	24/11/2025	9.69	ha	0.10
M 53/988	100%	07/03/2003	12/03/2024	511.55	ha	5.12
M 53/153	100%	26/06/1990	28/06/2032	916.50	ha	9.17
M 51/105	100%	03/05/1989	09/05/2031	117.35	ha	1.17
M 51/185	100%	11/02/1988	18/02/2030	247.55	ha	2.48
M 53/904	100%	21/09/2000	28/09/2021	8.3215	ha	0.08
M 57/635	100%	02/09/2014	01/09/2035	1,443.00	ha	14.43
M 53/716	100%	08/09/1998	07/09/2040	254.10	ha	2.54
M 51/157	100%	02/03/1988	09/03/2030	93.32	ha	0.93
M 53/11	100%	17/11/1983	24/11/2025	9.69	ha	0.10
M 57/634	100%	15/07/2014	14/07/2035	4,810.12	ha	48.10
M 53/251	100%	26/08/1992	02/09/2034	170.45	ha	1.70
M 51/290	100%	03/05/1989	09/05/2031	4.86	ha	0.05
M 53/105	100%	21/08/1988	29/08/2030	566.25	ha	5.66
M 51/186	100%	11/02/1988	18/02/2030	364.9	ha	3.65
M 51/104	100%	30/04/1987	11/05/2029	36.805	ha	0.37
M 51/410	100%	04/03/1992	10/03/2034	353.75	ha	3.54
M 53/500	100%	16/05/2000	21/05/2021	390.15	ha	3.90
L 57/44	100%	13/06/2012	12/06/2033	31.70	ha	0.32
L 51/93	100%	25/11/2013	24/11/2034	5.82	ha	0.06
L 57/20	100%	21/06/2002	20/06/2023	6.67	ha	0.07
L 53/116	100%	31/07/2002	30/07/2023	8.9025	ha	0.09
L 53/95	100%	14/12/1998	13/12/2023	71.00	ha	0.71
L 57/47	100%	14/08/2013	13/08/2034	36.00	ha	0.36
L 53/96	100%	14/12/1998	13/12/2023	237.00	ha	2.37
L 53/199	100%	30/07/2015	29/07/2036	23.75	ha	0.24
L 53/46	100%	01/03/1990	28/02/2025	60.00	ha	0.60
L 53/47	100%	27/09/1990	26/09/2020	24.00	ha	0.24
P 57/1304	100%	24/08/2012	23/08/2020	47.69	ha	0.48
P 53/1582	100%	05/10/2012	04/10/2020	60.15	ha	0.60
P 53/1577	100%	23/08/2012	22/08/2020	5.03	ha	0.05

Source: Panoramic Management Information. Checked by SRK at WA Tenograph Online: Accessed 08/04/2020 (all tenements registered in the name of Panoramic Gold Pty Ltd).

2.1 Location, access and climate

The Project is located approximately 640 km northeast of Perth, and 90 km north-northeast of the nearest town of Sandstone (Figure 2-2). Access to Sandstone from Perth is via the Great Northern Highway to Mount Magnet, or alternatively from Kalgoorlie via the Goldfields Highway to Leinster.

Good-quality unsealed roads from either Sandstone, Meekatharra or Wiluna lead to the Project area. The closest airports with scheduled commercial services are at Wiluna and Meekatharra, located 129 km northwest and 144 km northeast, respectively, from Gum Creek. Campaign-based exploration work is undertaken by a Fly-In Fly-Out workforce based in Perth.

The Project area experiences a semi-arid climate with hot summers and mild winters. The annual rainfall of less than 250 mm is irregular and falls mostly in the winter months. Topography in the north and east is characterised by low hills and breakaways separated by gently sloping valleys. The central and southern areas are generally flat and associated with extensive areas of sand and sheetwash cover. A major ephemeral drainage system flows through the centre of the belt and numerous east-west drainage palaeochannels have been identified. There are no material topographic or climatic impediments to year-round exploration and development activities.

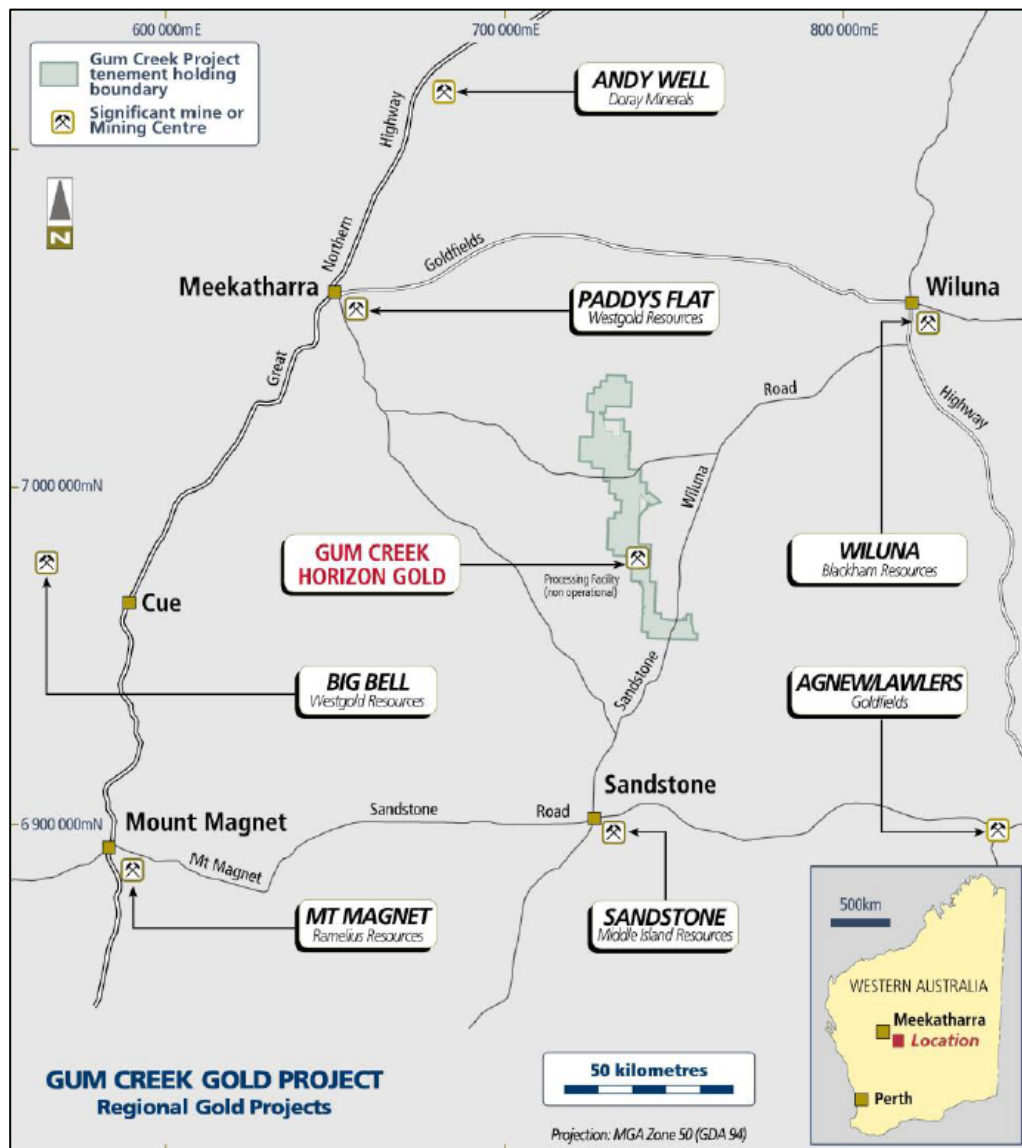


Figure 2-2: Project location

Source: Horizon website

2.2 History

2.2.1 Early history

Gold was first discovered near Sandstone in 1895; however, it was not until the 1920s that gold was discovered 90 km to the north near Gidgee. By 1926, the North End mine and the mining community of Jonesville had been established in the Project area. About that time, the Swan Bitter prospect was also discovered 300 m northeast of the North End mine. Recorded gold production was around 21,000 oz from 71,000 t of ore before closure of the mines (Otterman, 1990).

More recent exploration over the current Project area between 1983 and 1987 by Amoco Minerals Australia (later Cyprus Minerals Australia) further delineated five prospects: North End, Swan Bitter, Wren, Emu Feather and Eagle. These were reported with combined pre-mining Ore Reserves of 2 Mt grading at 3.38 g/t Au (Otterman, 1990). Production recommenced in April 1987 from the North End and Swan Bitter prospects and recorded production in the first 12 months of operation was 44,761 oz from 421,900 t of ore.

An intermittent history of production and ownership changes ensued (Arimco Mining Pty Ltd, Australian Resources Ltd, Abelle Pty Ltd). Up until closure in March 1999, 37 open pits and 3 underground mines had been developed, of which 2 open pits and 1 underground mine were in operation at the time of closure. Over the 12-year period between 1987 and 1999, a total of 7,746,348 t of ore was treated at an average grade of 3.6 g/t Au for 851,682 oz Au recovered (Maynard, 2004).

Abelle Limited (Abelle) acquired Gidgee (now known as the Swift, Swan, Kingfisher and Heron South deposits) in October 1999 and resumed production in February 2000. Mining was mainly carried out in the South Woodya, Donkey Well and Wahoo open pits and the Swan Bitter underground operation. At the end of 2002, Abelle ceased mining in open pit operations but continued production from the Swan Bitter underground. In February 2003, Harmony Gold Mining Company Limited (Harmony) launched a takeover offer for Abelle, focused on acquiring Abelle's mining assets in Papua New Guinea. At the end of April 2003, Gidgee briefly became part of Harmony's Australian operations.

In November 2003, Legend Mining Limited (Legend) reported that it had purchased the Gidgee operation and assumed control of the mine on 17 December 2003. At the time, Gidgee had produced more than 1 Moz of gold (Legend, 2003), principally from the Swan-Swift, Kingfisher, Omega and Montague mining areas. Production at Gidgee was reduced (Figure 2-3), and the company carried out additional exploration. In March 2005, Legend placed the mine on care and maintenance, citing rising operating costs and a static gold price making the operation less viable (Legend, 2005).

In 2007, Apex Minerals Limited (Apex) purchased the Gidgee project with a focus on recommencing mining from the Wilsons and Shiraz deposits. Panoramic purchased the Gidgee tenements from Apex in 2011 and the Wilsons project in 2012. No mining or processing activities have occurred since 2005.

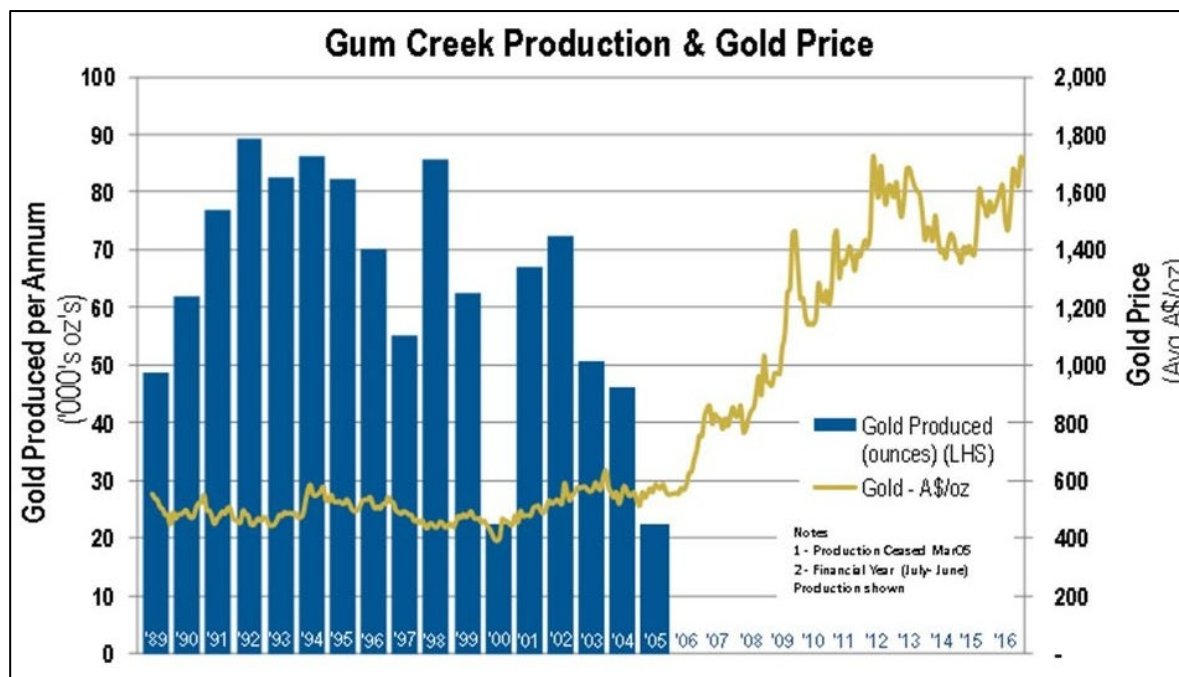


Figure 2-3: Historical gold production

Source: Panoramic Management Information

2.2.2 Exploration and studies by PanGold

Resource extension drilling programs completed by PanGold during 2011–2012 led to an approximately 65% increase in the reported gold resources to 1,048,600 oz. In August 2012, PanGold completed a Scoping Study, which contemplated open pit mining from the Swan Bitter, Swift, Howards, Toedter and Specimen Well deposits, and underground mining of Wilsons.

During 2013, PanGold completed approximately 35 km of reverse circulation (RC) and diamond core drilling at the Wilsons, Swan-Swift, Howards and Shiraz deposits and commissioned the following supporting studies:

- 2013: Flora and Vegetation Assessment by Maia Environmental Consultancy Pty Ltd
- 2013: Gidgee Gold Project – Vertebrate Fauna Survey by Western Wildlife Pty Ltd
- 2013: Gidgee Gold Project – Subterranean Fauna Assessment by MBS
- 2013: Hydrogeological Assessment completed by Groundwater Resource Management Pty Ltd
- 2013: Waste rock characterisation by MBS Environmental Services Pty Ltd
- 2013: Raising of Tailings Storage Facility Design Report by Coffey International Ltd
- 2013: Geotechnical Assessment of Open Pit mining Swan Bitter by Peter O'Bryan & Associates.

From December 2013 to September 2014, PanGold investigated a 'Wilsons only' option, which considered mining and processing of the refractory Wilsons deposit to produce a gold-rich sulphide concentrate for direct sale. Subsequently, the focus changed to investigate less cash-intensive options using toll treatment of the free-milling gold.

In 2015, a Mining Proposal was approved by the WA government for the recommencement of mining operations at the Project. The Mining Proposal anticipated several open pit cutbacks including the recommencement of mine dewatering and water abstraction, recommencement of processing activities at the existing processing plant, disposal of tailings into the existing TSF and refurbishment of the existing accommodation village.

In March 2016, PanGold reported the results of the Gum Creek Gold Project Free Milling Scoping Study. The study included open cut resources at the Swan, Swift and Howards projects:

- 5.8-year initial mine life
- 12-month construction period
- Annual production of 60,000 oz Au
- Mining inventory of 4.9 Mt at 1.94 g/t Au for 309,000 oz Au at 95% recovery
- Capital costs of A\$62M including a new carbon-in-leach (CIL) processing facility
- All in sustaining costs of A\$1,209/oz Au
- Assumed gold price of A\$1,700/oz Au
- Pre-tax project net present value of A\$37M at an 11% discount rate.

Further details are provided in PanGold's ASX announcement dated 18 March 2016.

In 2017, a Processing Plant Inspection and Refurbishment budget estimate was prepared by MACA Interquip Pty Ltd on behalf of Panoramic.

During the March 2018 quarter, PanGold commenced an underground development study for the Swam Premium prospect.

In November 2019, Mining Plus Pty Ltd was retained by Horizon to assist with the completion of a series of open pit evaluation studies on the Swan and Swift prospects. This work formed the basis of a Scoping Study, which contemplated a toll treating operation where material would be processed offsite. No results were publicly reported, other than that the results were positive (Horizon ASX Announcement 20 November 2019) and supportive of a Feasibility Study to be prepared in 2020. SRK understands that the study was largely based on Mineral Resources classified in the Inferred category.

2.3 Geology and Mineral Resources

The Project is geologically hosted within the Gum Creek Greenstone Belt (GCGB) (Figure 2-4 and Figure 2-5), which forms a lensoid, broadly sinusoidal structure measuring some 110 km in length and 24 km in width. It is dominated by volcanic and sedimentary sequences and surrounded by intrusive granitoids, which contain rafts of greenstone. The margins of the belt are typically dominated by contact-metamorphosed basalts and banded iron formations (BIF).

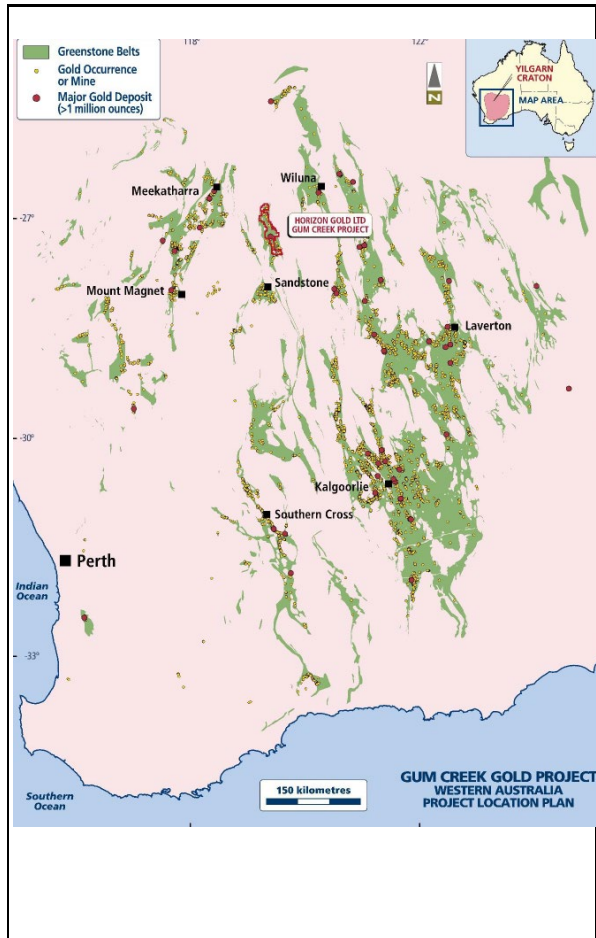


Figure 2-4: Geological Setting

Source: Horizon Gold Prospectus (October 2016)

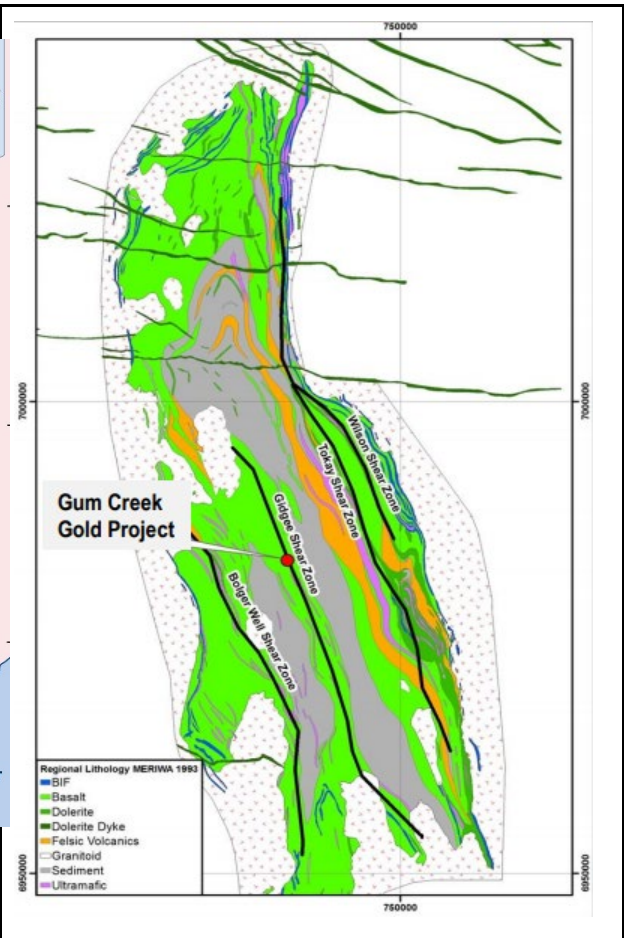


Figure 2-5: Gum Creek Greenstone Belt

Source: Horizon presentation (August 2019)

The stratigraphic sequence evident within the GCGB is relatively simple, with three broadly continuous major geological units occupying a large north–south synclinorium. The lowest unit consists of a sequence of interbedded BIF and mafic and ultramafic volcanic units overlain by ferruginous shales, shales and thin cherts. The central unit consists of a sequence of basalts and felsic volcanic rocks, contemporaneous dolerites, and lesser ultramafic volcanic rocks and interflow sediments. The central unit has been intruded by differentiated gabbroic sills, which range in composition from ultrabasic through to pyroxenite to gabbro. The uppermost unit consists of shales, black shales, siltstones and minor cherts, with rare conglomerates and dolostones. Late-stage, generally massive, granitoids intrude along the length of the belt.

These granitoids, including monzonites, intrude along the length of the belt in generally north–south elongated zones and are subject to late brittle deformation. Silicification of country rock is widespread proximal to the margins of these monzonites. Proterozoic dykes are a prominent feature in the northern portion of the belt and are more or less absent elsewhere.

Several early phases of tight to isoclinal folding have affected rocks of the lower domain. Most fold axes now exhibit a general north–south trend. The entire belt has been folded about tight north–northwest axes, producing two synclines separated by a narrow anticline in the central domain. The western syncline appears to be doubly plunging, suggesting late open folding under an east–west stress regime.

Complex faulting is present throughout the GCGB, with many lithological units being fault bounded. Prominent deformation also occurs as regional-scale north–northwest-trending ductile shear zones.

These zones occur in close proximity to gold occurrences at the Bolger Well, Gidgee, Victory Well, Tokay and Wilsons deposits.

The principal structure in the GCGB is the Gidgee Shear Zone, which has been identified over 50 km of strike length in the southern part of the Project. The Wilson and Victory/ Tokay shears form broad zones on the eastern side of the GCGB and coalesce to the north. Mineralisation associated with the Gidgee Shear occurs in two main areas, the Gidgee Mining Area and the Wyooda-Thangoo area, which includes the Heron and Heron South deposits. Mineralisation is developed near the southern end of the Wilson Shear in the Mount Townsend area (Wilsons deposit) and at the Toedter, Kearys and Omega deposits near the northern end of the structure.

2.3.1 Mineralisation styles

Several mineralisation styles are present at the Project:

- Shear-hosted gold within quartz-carbonate (\pm pyrite, pyrrhotite, galena and sphalerite) veins. Typically, the gold mineralisation is free-milling and locally high-grade (>20 g/t Au), forming within complex conjugate vein arrays associated with brittle dilational openings developed along major shear zones within competent mafic host rocks. Carbonate-sulphide wall rock alteration is common about mineralised zones and extensive supergene enrichment often overlies the primary mineralisation zones. Deposits of this type represent the dominant mineralisation type at Gum Creek and include the Swan Bitter, Swift and Kingfisher deposits.
- Quartz veins comprising sulphide-poor sheeted and anastomosing quartz veins and lenses developed in shear zones straddling granodiorite contacts within the GCGB. Grades are typically between 1 g/t Au and 5 g/t Au.
- Ductile shear-hosted gold of two principal types:
 - Arsenopyrite dominant – Fine-grained gold associated with sulphide-rich, intense biotite-sericite altered narrow ductile shear zones. Gold grades are typically in the range between 5 g/t Au and 10 g/t Au. Arsenopyrite and pyrrhotite are the dominant sulphide species, with most gold being refractory contained within the arsenopyrite. Examples of this style of mineralisation are the refractory deposits of Wilsons, Shiraz and Heron South.
 - Pyrite dominant – Fine-grained gold associated with sulphide-poor, broad ductile shear zones developed within mafic host rocks. Shearing is typically defined by weak biotite alteration, up to 1% fine pyrite and a sparse network of thin (1–3 mm thick) quartz veins. Gold grades are typically in the range between 0.5 g/t Au and 1.5 g/t Au and the mineralisation is free-milling. The Howards deposit is representative of this mineralisation style.
- BIF-hosted mineralisation with quartz-pyrrhotite veining and pyrrhotite replacement of magnetite mesa-bands forming narrow steep-plunging shoots of limited length and width but extending to depth. This mineralisation style occurs in fold hinges within BIF marginal to major north–south shear zones and is similar to the Hill 50 mineralisation at Mount Magnet. Grades are typically in the range between 1 g/t Au and 10 g/t Au and the mineralisation is free-milling. The Omega and PSI prospects are representative of this mineralisation style.
- Volcanogenic massive sulphide (VMS)/ sedimentary exhalative (SEDEX) has only recently been identified at the Altair prospect and comprises broad copper mineralisation associated with pyritic black shales and intermediate volcanic units, which are intensely chlorite and/ or biotite altered, with lesser silica.

2.3.2 Current Mineral Resource estimates

The current total Mineral Resource at the Project is publicly reported in Horizon's 2019 Annual Report as comprising 15.89 Mt at an average grade of 2.7 g/t Au containing 1.39 Moz Au (Table 2-2). Approximately 61% of the contained ounces are free-milling, and the remaining 39% at the Wilsons, Shiraz and Heron South deposits are refractory.

All Mineral Resources have been reported in accordance with the JORC Code (2012) guidelines. In SRK's opinion, the Mineral Resource estimates have been prepared to a suitable quality standard and are a reasonable representation of global grades and tonnages available for valuation purposes. There are no current Ore Reserve estimates available for the Project.

Table 2-2: Gum Creek Gold Project Mineral Resources as at 12 July 2019

Resource	Resource Date	Cut-off grade (g/t Au)	Mineralisation Type	Indicated		Inferred		Total		Contained Gold (oz)
				Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
Open Pit Resources										
Swan OC	May-19	0.5	Free Milling	80,000	8.8	880,000	6.8	960,000	7.0	216,000
Swift OC	May 19	0.5	Free Milling	100,000	5.0	740,000	7.5	840,000	7.2	195,000
Heron South	Aug-16	0.5	Refractory	1,140,000	2.2	2,000	1.3	1,140,000	2.2	80,000
Howards	Jul-13	0.4	Free Milling	5,250,000	1.1	720,000	1.0	5,970,000	1.1	204,000
Specimen Well	Aug-16	0.5	Free Milling			360,000	2.0	360,000	2.0	23,000
Toedter	Aug-16	0.5	Free Milling			690,000	1.5	690,000	1.5	34,000
Shiraz	Jul-13	0.4	Refractory	2,480,000	0.8	440,000	0.8	2,920,000	0.8	78,000
Underground Resources										
Swan UG	May-19	2.5	Free Milling	10,000	12.9	280,000	8.4	280,000	8.6	78,000
Swift UG	May-19	2.5	Free Milling			70,000	4.9	70,000	4.9	10,000
Kingfisher UG	Aug-16	3.5	Free Milling			390,000	6.1	390,000	6.1	77,000
Wilsons UG	Jul-13	1.0	Refractory	2,130,000	5.3	140,000	6.0	2,270,000	5.4	391,000
Total				11,190,000	2.0	4,700,000	4.3	15,890,000	2.7	1,388,000

Source: Horizon Gold Annual Report (October 2019)

2.4 Exploration information

An extensive geological drilling database is available for the Project. Most of the Project area has been covered by RC and diamond drilling. Approximately 65% of the historical drill holes have a total depth of less than 50 m (from surface to fresh rock) and 97% of the historical drill holes were assayed for gold only. More recent drilling campaigns undertaken by PanGold utilised a multi-element litho-geochemical approach to identify vectors to mineralisation. SRK considers this approach to be more favourable given the nature and style of mineralisation at the Project.

The available regional (belt-scale) exploration data include the drilling database, geochemical sampling database, mapping database and geophysical database.

2.4.1 Drilling and mapping information

A total of 70,125 holes totalling 2,871,000 m are recorded in the Project database (Figure 2-6). Of these, PanGold drilled 1,220 holes for 124,000 m. The drilling data contain over 1.1 million sample records, of which less than 3% of the samples were analysed for elements other than gold.

Additionally, PanGold contracted Jigsaw Geoscience Pty Ltd to complete 1:10,000 scale mapping of the Project area in 2011.

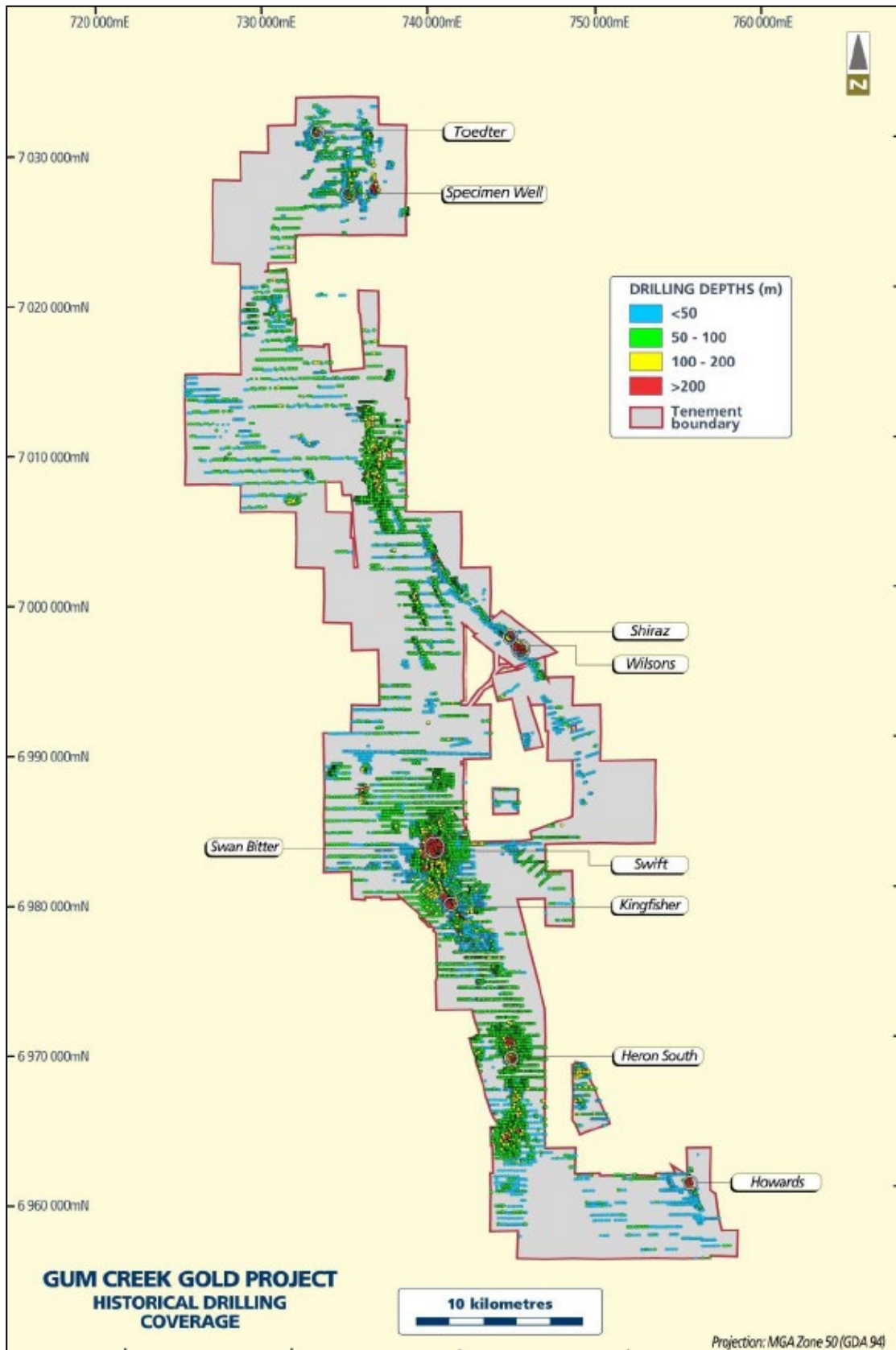


Figure 2-6: Historical drilling coverage

Source: Horizon Prospectus (October 2016)

2.4.2 Geochemical information

To date, over 81,000 surface samples have been collected for geochemical analysis at the Project. The majority of these were soil and rock chip samples (Figure 2-7). PanGold contracted Outcrop Exploration Services Pty Ltd (OES) to assess the prospectivity of the Project through a combination of structural interpretation and litho-geochemical data compilation and interpretation. A total of 10 target areas were defined.

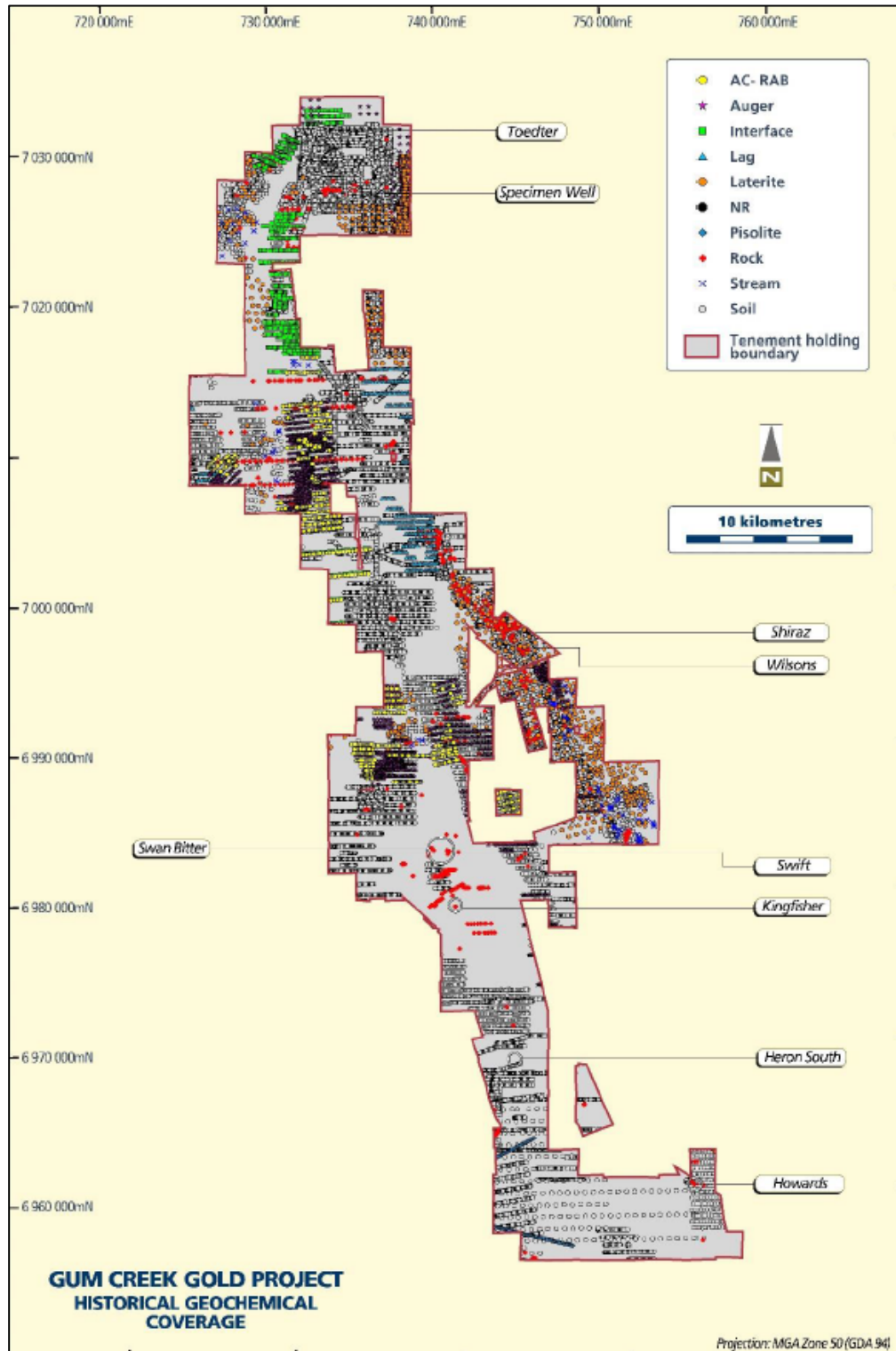


Figure 2-7: Historical geochemical sampling coverage

Source: Panoramic Management Information

2.4.3 Geophysical information

PanGold completed detailed ground gravity and airborne electromagnetic (SkyTEM) geophysical surveys over the entire Project area to produce a fully integrated geophysical database of detailed airborne magnetic and radiometric, ground gravity and airborne electromagnetic geophysical data. PanGold employed Newexco Services Pty Ltd (Newexco), independent geophysical consultants, to interrogate the data and define exploration targets (Figure 2-8 and Figure 2-9).

PanGold also engaged Newexco to design and complete an Induced polarisation (IP) geophysical survey comprising 10 m by 100 m spaced profiles over the Wilsons prospect and a further 13 m by 400 m spaced profiles along the interpreted position of the Wilson Shear to the south. These IP surveys demonstrated that the Wilsons mineralisation was clearly detectable using IP and two additional targets were generated for testing.

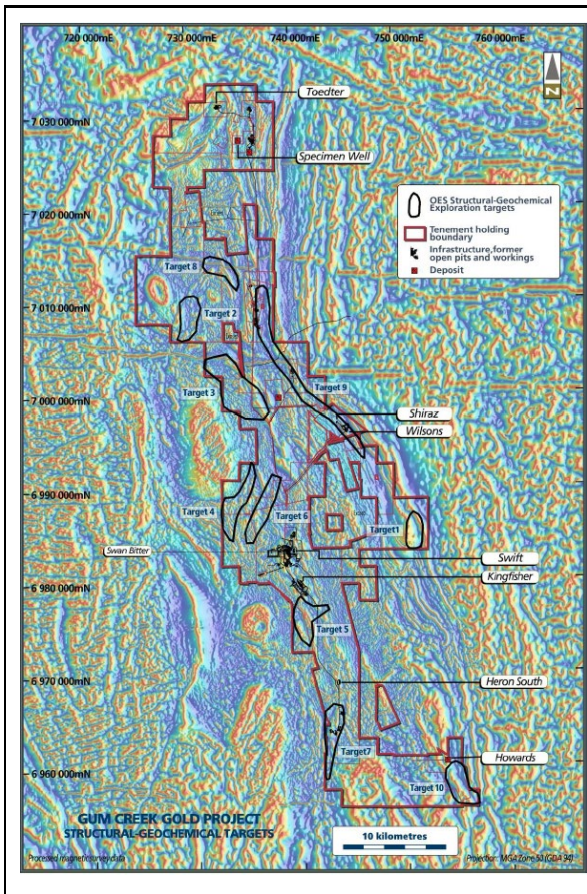


Figure 2-8: Magnetic survey
Source: Horizon Gold Prospectus (October 2016)

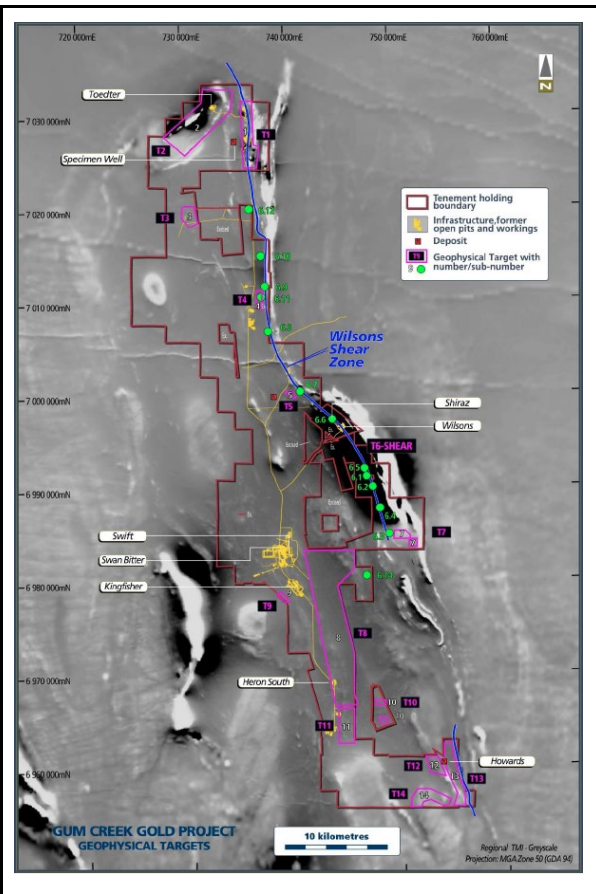


Figure 2-9: Total magnetic intensity and geophysical targets
Source: Horizon Gold Prospectus (October 2016)

2.4.4 Mineralisation along the Wilson Shear Zone

Wilsons

The geology of the Wilsons area comprises a metasedimentary package, consisting of mafic conglomerates with clasts of locally sourced quartzite and BIF. Thin intervals of interbedded siltstone and shale and felsic conglomerate occur above the mafic conglomerate, but are typically displaced by the Wilsons Dolerite, which unconformably overlies the sedimentary units. Gold mineralisation and tenor is related to the presence of disseminated arsenopyrite and pyrrhotite, with the strongest mineralisation (anomalism) occurring in dilational locations along the host shear. An alteration

assemblage of biotite-sericite-quartz ± potassic feldspar and carbonate exists, accompanied by strong ductile shearing.

The Wilsons prospect consists of three discrete, tabular, strongly mineralised shoots that dip 50° to 70° to the west and plunge steeply to the north (Figure 2-10). These shoots are encompassed by weakly mineralised envelopes and are confined within a regionally persistent shear adjacent to the contact with the overlying Wilsons Dolerite. The shear and enclosing mineralised shoots strike approximately 330°. The shoots are generally 100–150 m in length along strike and range from 1 m to 12 m in thickness. They have been delineated to a depth of around 600 m below surface and are still open down plunge.

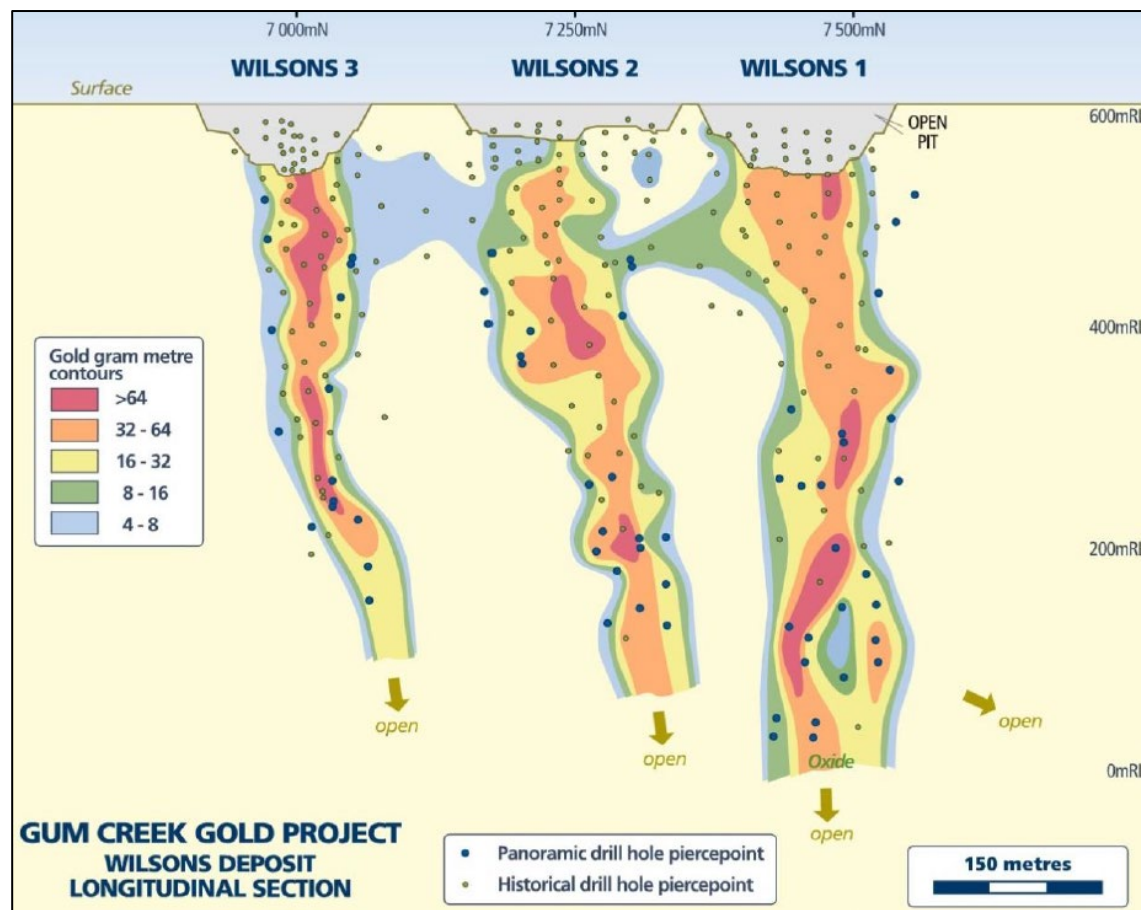


Figure 2-10: Section showing mineralisation and previous workings at the Wilsons prospect

Source: Horizon Gold Prospectus (October 2016)

The Wilsons resource database subset contains a total of 213 RC holes for 19,400 m, 4 aircore holes for 195 m and 162 diamond holes for 53,328 m. Of these totals, PanGold completed 49 diamond holes for 21,571.3 m and 27 RC holes for 4,440 m. All RC and aircore holes were sampled by collecting 1 m samples from a rig-mounted cyclone and riffle splitter.

RC holes were sampled by collecting every 1 m drill sample and splitting each one down to an approximate 3 kg assay sample by using either cone or riffle splitters. Diamond holes were typically completed using NQ2 diameter core and were sampled by cutting the core in half over geologically logged intervals that typically ranged between 30 cm and 1.2 m.

All samples were submitted to a contract laboratory for fire assay analysis. No details of historical quality assurance and quality control (QA/QC) were available; however, sampling and assaying procedures were identical to those used in other Gum Creek prospects, which were successfully verified by PanGold.

An initial orientation IP geophysical survey was conducted at Wilsons in 2016 by Newexco (Figure 2-11). The IP program comprised 10 m by 100 m spaced profiles over the Wilsons prospect and a further 13 m by 400 m spaced profiles along the interpreted position of the Wilson Shear to the south. The results of the IP survey identified a clear chargeable source coincident with the known Wilsons mineralisation. Follow-up IP surveys in 2017 by Merlin Geophysical Solutions Pty Ltd extended the initial extents of the IP survey area to the north and south of the Wilsons prospect (Figure 2-12) through the acquisition of an additional 51 profiles. The survey used a 100 m dipole-dipole array with 400 m line spacing for a total survey coverage area of 20 km.

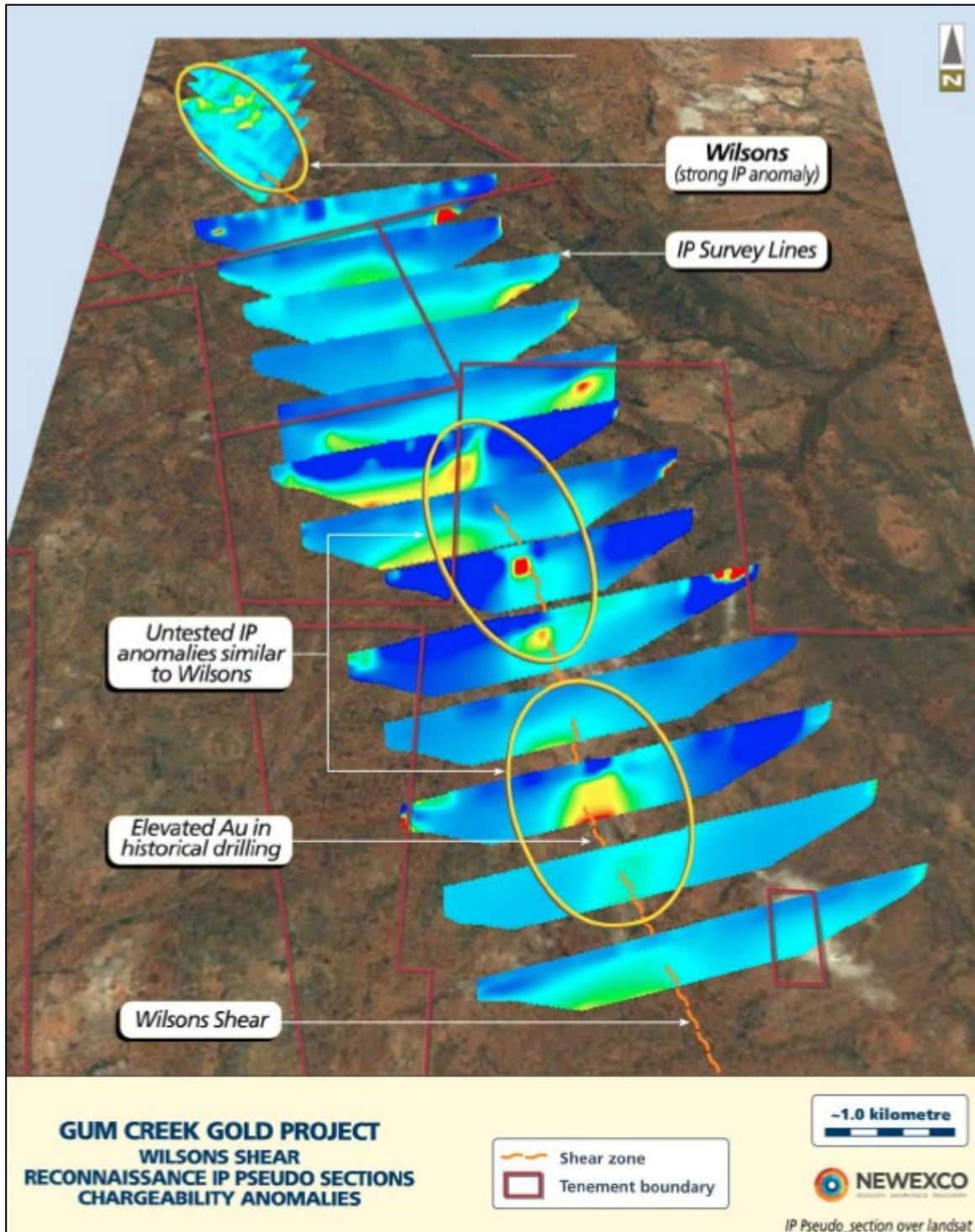


Figure 2-11: IP traverses at the Wilsons prospect over regional gravity imagery – 2016

Source: Horizon Gold Prospectus (October 2016)

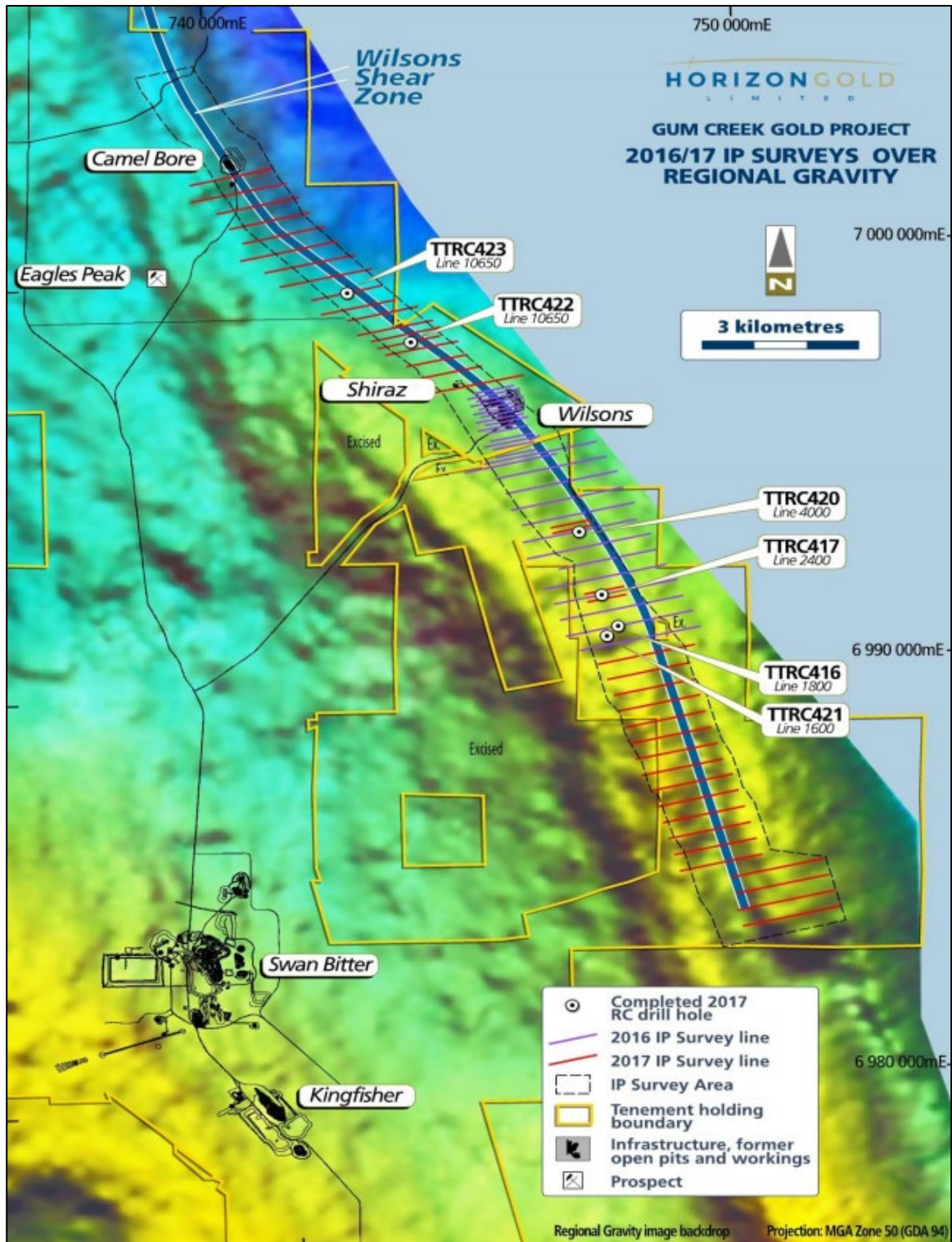


Figure 2-12: IP traverses at the Wilsons prospect over regional gravity imagery – 2017

Source: Horizon Gold Annual Report(2017)

In June 2016, PanGold reported the results from new metallurgical testwork completed on Wilsons refractory mineralisation. This identified a potential processing route (designated LOPOX by PanGold) which uses moderate pressure and temperature conditions to oxidise a sulphide flotation concentrate allowing efficient recovery of gold through conventional CIL methods. The initial test results were reportedly encouraging. The flotation step with a recovery of 90–93% was followed by a LOPOX recovery of 94–96%, representing an overall gold recovery of 85% for this initial testwork.

The Mineral Resource estimate was completed by an independent consultancy, BMGS Pty Ltd, in 2013.

The estimate was constrained by mineralisation wireframes based on a 0.5 g/t Au interpretation cut-off grade. Data within the wireframes were composited to 1 m intervals and high-grade cut-off grades were then applied to the composites. Inverse distance squared interpolation was used for estimation purposes.

Grade estimation of the Wilsons underground prospect was completed using Ordinary Kriging in Surpac™ software. Variogram analysis and modelling were completed using Supervisor™ software. Downhole composites (1 m) were generated from the drill hole database and then tagged according to mineralised (domain) wireframes generated at a 1 g/t Au cut-off grade for low-grade domains and a 2 g/t Au cut-off grade for high-grade domains. A minimum 1 m downhole composite and wireframe width was maintained in an attempt to represent a minimum selectable mining width, assuming narrow vein underground mining techniques to be used.

The wireframe modelling conditions included a minimum downhole mineralised width of 1 m; internal downhole dilution of up to 2 m could be included if the entire intercept graded above 1 g/t Au or 2 g/t Au, respectively. If dilution was greater than 2 m, separate lodes were generated.

Shiraz

The Shiraz prospect comprises Archaean orogenic shear-hosted gold mineralisation, measuring approximately 700 m in length and ranging in thickness from 2 m to 60 m, with a typical thickness of around 40 m in the main mineralised zone. It strikes in a north–northwest orientation (330°) and dips steeply (80°) to the west. Most of the known mineralisation lies within a moderate to steeply west-dipping shear zone and occurs as a series of quartz-rich shear zones within the Shiraz Dolerite. Mineralisation consists of fine-grained needles of arsenopyrite with disseminated to blebby pyrrhotite and trace pyrite. The mineralisation is refractory; however, a small historical oxide pit was mined to a depth of approximately 25 m below surface.

The Shiraz Mineral Resource database subset contains 142 RC and two diamond drill holes for a total of 12,656 m. Of this total, 20 RC holes totalling 2,614 m were drilled by PanGold in 2013 as part of a Feasibility Study. In addition, the database contains 196 historical rotary air blast (RAB) holes (totalling 5,676 m, which have not been used for resource estimation). The drill hole spacing is typically a 20 m by 20 m grid pattern over the extent of the mineralisation.

RC holes were sampled by collecting 1 m samples and splitting each sample down to a 3 kg assay sample using either automated on-board rig cone splitters or by manual riffle splitting.

PanGold's assay samples (1,670) were submitted to ALS Laboratories in Perth for gold analysis by FA30 (fire assay) technique. Of the 5,871 historical RC and diamond gold assays in the Shiraz database, 3,566 samples (61%) are recorded as having an 'unknown digest, AAS finish', which implies they were also analysed using the fire assay technique. In addition, results for 1,836 QA/QC samples (24% of the entire analytical database) are recorded in the database.

The Mineral Resources were estimated in 2013 by BMGS.

Grade estimation of the Shiraz prospect was completed using Ordinary Kriging in Surpac™ software. Variogram analysis and modelling for the Ordinary Kriging estimate were completed using Supervisor™ software. Composites (2 m) were generated from the drill hole database and then tagged according to mineralised wireframes generated at a 0.4 g/t Au grade cut-off.

The wireframe modelling conditions included a minimum downhole mineralisation width of 2 m; internal dilution of up to 3 m downhole could be included if the entire intercept graded above 0.4 g/t Au.

If dilution was greater than 3 m, then separate lodes were generated if geological/grade continuity was permissible.

Howards

The Howards mineralisation is hosted in sheared basalt and quartz-feldspar porphyries. Gold mineralisation is associated with thin quartz-carbonate veining and fine-grained disseminated sulphides. Alteration assemblages consist of biotite and minor albite. The basalt-hosted shear strikes in a north–south orientation and has a near-vertical dip. The prospect measures approximately 1,000 m in length and is up to 50 m wide (Figure 2-13).

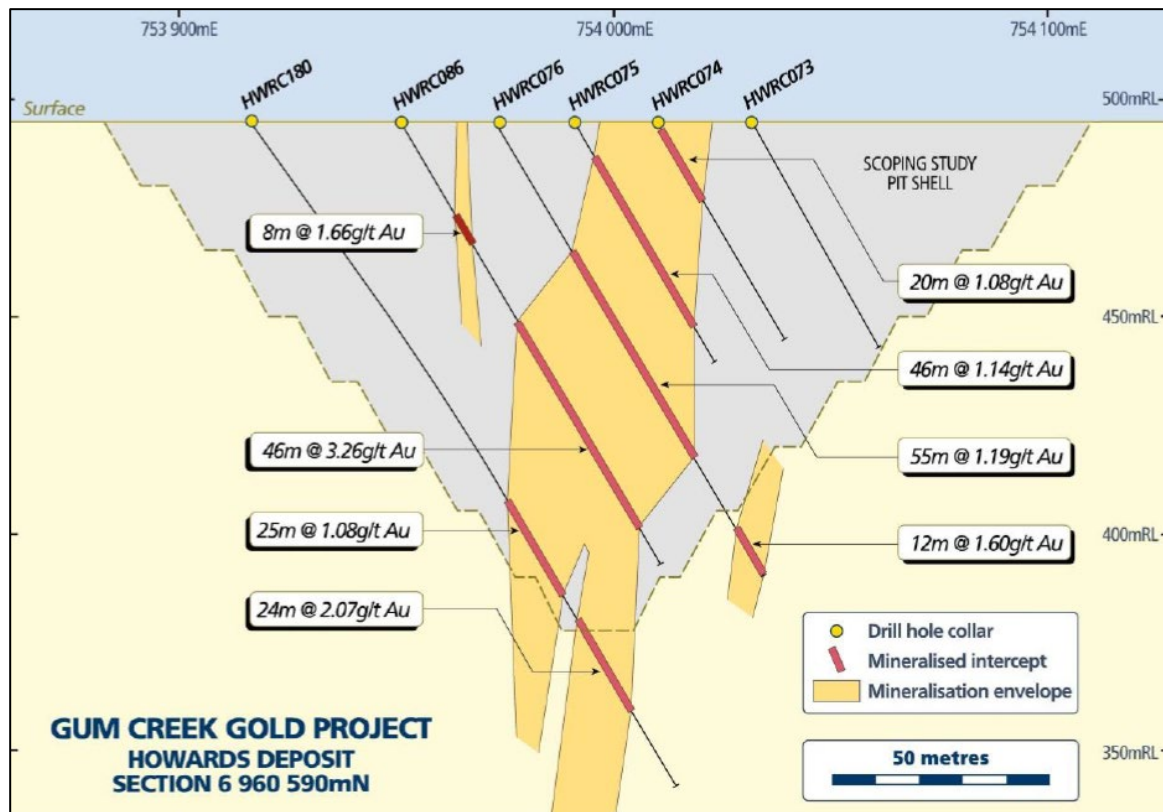


Figure 2-13: Section showing mineralisation and previous workings at the Howards prospect

Source: Horizon Gold Prospectus (October 2016)

The Howards prospect has been defined by 242 holes for a total length of 19,733 m. Of these, 52 RC holes and 10 diamond holes were completed by PanGold. Drilling was carried out on 20 m by 20 m and 40 m by 40 m grid spacings.

The Mineral Resources at the Howards prospect were estimated in 2013 by BMGS.

Specimen Well

The Specimen Well Mineral Resource estimate was completed by BMGS in 2016. The estimate was constrained by mineralisation wireframes based on a 0.5 g/t Au interpretation cut-off grade. Data within the wireframes were composited to 1 m intervals and high-grade cut-off grades were then applied to the composites. Inverse distance squared interpolation was used for estimation.

Toedter

Mineralisation at Toedter occurs at an amphibolite/ ultramafic contact and is associated with quartz veining in east-dipping shears. It strikes north at approximately 355° and dips moderately to the east at approximately 50°. There are 20 individual domains and the total strike length is approximately

240 m. The prospect consists of parallel stacked lodes, which vary in thickness from 1 m to 10 m and are spaced at between 2 m and 15 m.

Historical mining at the Toedter prospect occurred between May 1997 and March 1998. A total of 49,700 tonnes were mined at an average grade of 3.76 g/t Au.

A total of 128 RC holes, 3 diamond holes and a number of RAB holes were considered in the Mineral Resource estimate. Two RC holes were drilled by PanGold, with the remainder completed by previous owners. The drill spacing is nominally 20 m by 10 m over the extent of the mineralisation.

The RC holes were sampled by collecting 1 m samples from a rig-mounted cyclone and riffle splitter. Diamond holes were sampled at 1 m intervals or to geological boundaries.

All samples were submitted to a contract laboratory for fire assay analysis. No details of historical QA/QC were available; however, sampling and assaying procedures were identical to those used in other prospects where recent drilling and QA/QC work by PanGold have verified the historical data.

The Toedter Mineral Resource estimate was completed by BMGS in 2016. The estimate was constrained by mineralisation wireframes based on a 0.5 g/t Au interpretation cut-off grade. Data within the wireframes were composited to 1 m intervals and high-grade cut-off grades were then applied to the composites. Inverse distance squared interpolation was used for estimation.

2.4.5 Mineralisation along the Gidgee Shear Zone

Swan and Swift

The Swan (or Swan Bitter), Swan North and Swift prospects form three discrete areas within a larger mineralised area.

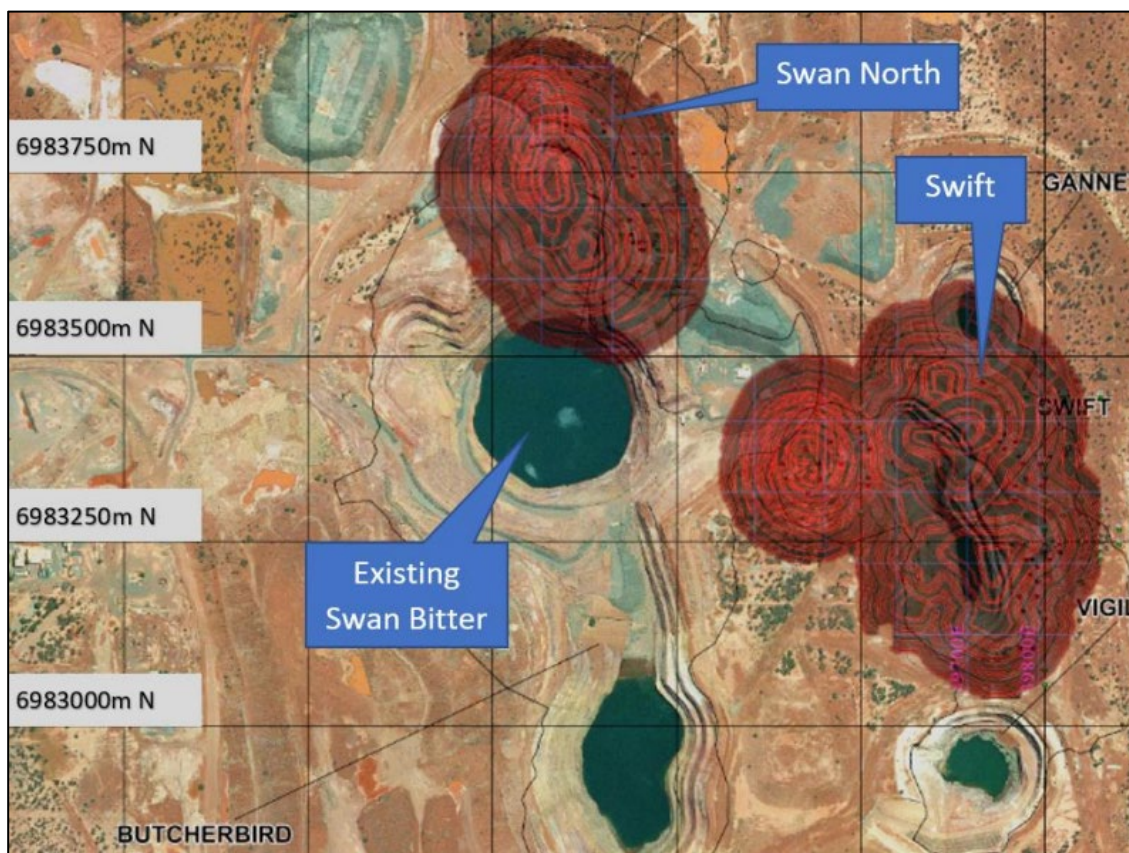


Figure 2-14: Plan view with conceptual open pits

Source: Horizon Gold ASX Announcement (15 October 2019)

The main style of mineralisation at the prospects is vein-hosted quartz-carbonate, with the gold mineralisation occurring in complex conjugate vein arrays associated with brittle dilational openings developed along major shears within the competent mafic host rocks. Carbonate-sulphide wall rock alteration is common about mineralised zones and extensive supergene enrichment often overlays primary mineralisation zones.

The Swan Premium Lode is interpreted as a mineralised, north-striking, steeply east-dipping conjugate vein set emanating from the broader north-striking, steeply west-dipping Butcherbird Shear. The Butcherbird Shear is located approximately 50–70 m east of existing underground development on the Cascade Lode.

The Swift prospect is interpreted as a flat-lying to shallowly east-dipping structure similar in geology and tenor to the Swan prospect shear zones.

The Butcherbird Shear, Swan Premium Lode and the flat-lying to shallowly east-dipping Swift structure are not considered to be well-defined structures with sharp edges, but rather zones of silica flooding along poorly defined pre-existing structures. Variability in quartz flooding and gold grade within these zones is high, adding to the complexity in the mineralisation.

The Swan or Swan Bitter, Swan North and Swift Mineral Resources were updated and re-estimated in June 2019 by Mining Plus Pty Ltd (Horizon Gold ASX Announcement, 12 July 2019).

Between November 2011 and May 2013, PanGold drilled a total of 57 RC holes around the Swan and Swift prospects for a total of 9,539 m of drilling and an additional 8 geotechnical diamond holes near the margins of the proposed pit cutbacks.

In August 2018, Horizon completed an additional 12-hole diamond drill program for 4,897 m. An additional six diamond holes were drilled in December 2018/ January 2019 for a further 1,800 m to test the Butcherbird Shear and the Premium Lode system located 50–70 m east of the underground development.

The Swan and Swift databases contain 5,518 drill holes, consisting of 1,235 diamond drill holes, 2,852 RC drill holes, 18 RC drill holes with diamond tails, 130 aircore drill holes, and 1,283 RAB drill holes. The RAB and aircore drill holes have been used to model mineralisation, but were excluded from estimation. An additional 187 RAB drill holes in the database contained only maximum assays for the drill hole and have been excluded from mineralisation modelling and estimation.

In total, 1,235 diamond drill holes for 150,108 m, 2,852 RC drill holes for 287,002 m, and 18 RC with diamond tails drill holes for 6,712 m have been used in the Swan and Swift Mineral Resource estimates.

The drill sections are spaced at predominantly 20 m intervals along strike, with drilling within the section plane ranging from 25 m to 50 m. Surface drill sections have been drilled at azimuths of approximately 90° and 270°. The orientation of the underground drilling is more variable, with the drilling completed at azimuths ranging from 200° to 340°, and dips varying from +60° to -60°.

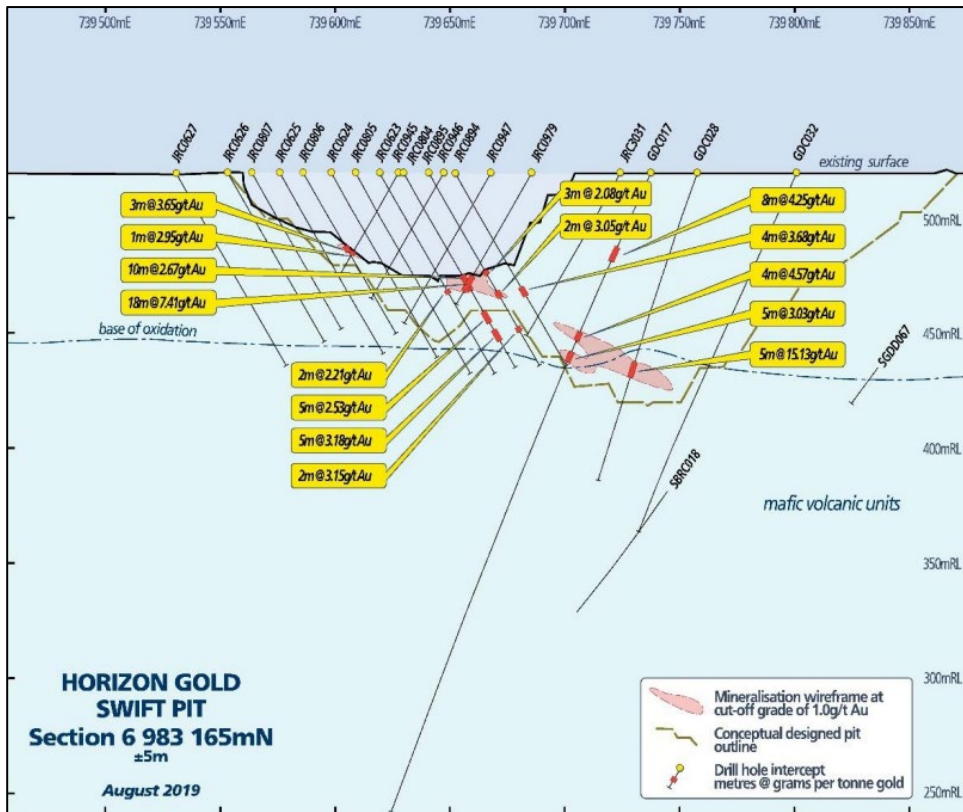


Figure 2-15: Swift existing pit and mineralisation with conceptual pit outline

Source: Horizon Gold ASX Announcement (15 October 2019)

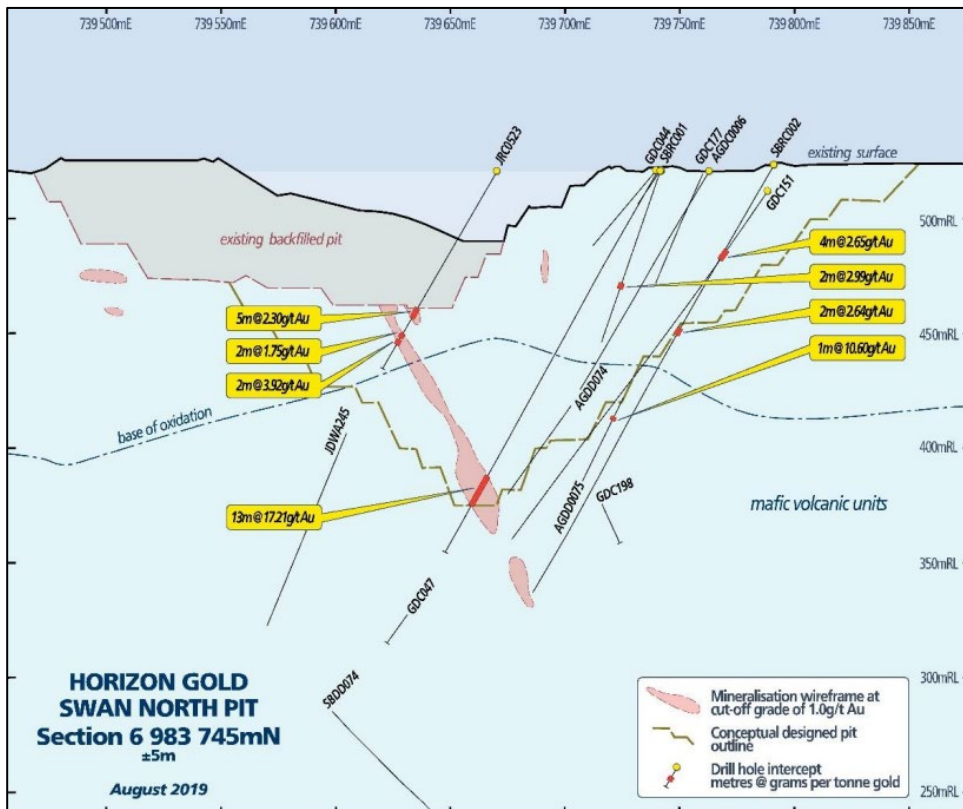


Figure 2-16: Swan North existing pit and mineralisation with conceptual pit outline

Source: Horizon Gold ASX Announcement (15 October 2019)

The Mineral Resource estimate was completed by independent consultancy, Mining Plus Pty Ltd, which was engaged in November 2018, with the updated Mineral Resources being current as of July 2019.

The updated Swan and Swift Mineral Resource estimates represents a significant change in contained tonnes and grade from the previous estimate. These changes are due primarily to the mineralisation being modelled using the implicit modelling functionality of Leapfrog Geo software using identified structural trends to define mineralisation continuity. These more continuous mineralised shapes enabled different approaches to be applied to the geostatistical analyses and estimation of grade.

The updated in situ, drill-defined, open pit and underground Mineral Resource estimates for the Swan and Swift prospects have been reported at cut-off grades of 0.5 g/t Au within an A\$2,000/oz pit shell optimisation and 2.5 g/t Au beneath the pit optimisation.

In 2015, a limited processing study was undertaken using the Swan Bitter drill core. PanGold undertook the study using a combination of gravity separation and cyanide leaching. The results showed that the material tested was free-milling and showed gold recoveries of between 96% and 99%.

In 2014, MBS Environmental Pty Ltd undertook a review of historic tailings in the Gum Creek TSF, which indicated that the tailings are geochemically benign. The material contains an abundance of reactive carbonate minerals and reportedly 98% of the historical tailings samples are non-acid forming.

Kingfisher

The Kingfisher prospect is hosted in sericite-carbonate schist, adjacent to the regional-scale northwest-trending, 60° southwest-dipping Kingfisher Fault. The hanging wall to the mineralisation contains amygdaloidal basalt with high magnesium content. The footwall comprises interbedded basaltic flows and tuffs. Pyrite is the main sulphide (generally <1%) occurring as fine disseminations and coarse euhedral crystals, although it may constitute nearly 20% of the veins on a local scale. Visible gold is usually associated with the coarse pyrite.

Mineralisation is directly related to quartz veining. The most significant quartz veins are 0.3 m to 4 m thick, with the highest gold grades at the hanging wall contact, while a 15 m wide zone of quartz-ankerite vein stockwork is developed in the footwall. Gold from the primary zone has been remobilised to form a supergene blanket commencing at approximately 30 m depth and extending to the base of extreme weathering at 70 m depth. Below the effects of weathering, high-grade mineralisation appears to be controlled by moderate to steep south-plunging shoots (Figure 2-17).

The prospect has been previously mined by open pit and underground methods.

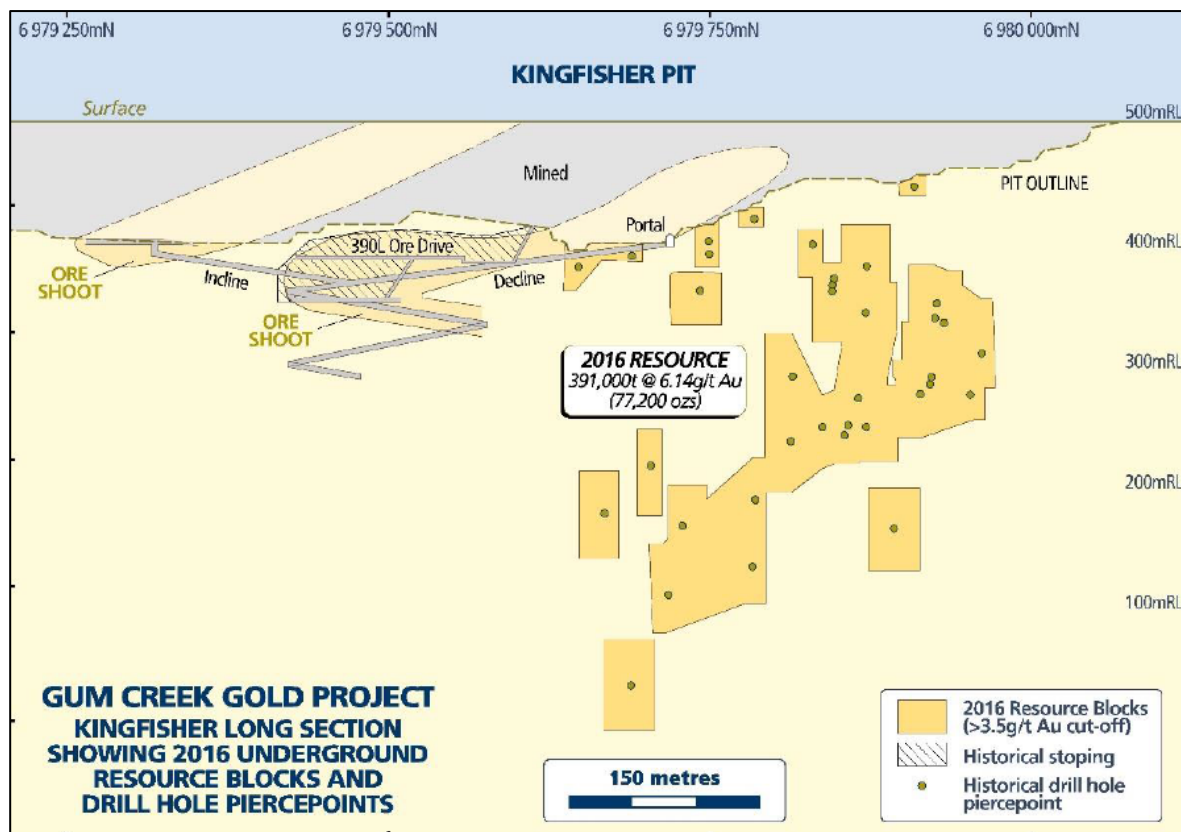


Figure 2-17: Section showing mineralisation and previous workings at the Kingfisher prospect

Source: Horizon Prospectus (October 2016)

A total of 12 RC holes and 18 diamond holes were used in the estimate, with all drilling completed by previous owners between 1990 and 1995. The drill spacing is nominally 40 m by 40 m over the extent of the reported Mineral Resource; however, much closer drill spacing is reportedly evident in the previously mined portions of the prospect. In the RC drilling, a face sampling hammer was used with 1 m samples collected via a riffle splitter. Diamond drilling employed NQ diameter core with core sampling to geological boundaries.

Historical drill samples were reported to be assayed using a fire assay technique. While specific QA/QC programs for the Kingfisher drilling were not identified, the extensive open pit and underground production largely verified the magnitude and extent of mineralisation and did not show any assay bias.

The Mineral Resource estimate was completed by an independent consultancy, Carras Mining Pty Ltd. The estimate was constrained by mineralisation wireframes based on a 3.0 g/t Au interpretation cut-off grade with 0.5 m edge dilution added to each side of the lode. Data within the wireframes were composited to 1 m intervals and high-grade cut-off grades were then applied to the composites. Inverse distance squared interpolation was used for estimation.

2.4.6 Additional prospects

Altair and Mensa

The Altair zinc-copper-silver prospect is interpreted to be volcanic-hosted massive sulphide (VHMS) or SEDEX base metals mineralisation style prospect associated with black shales and intermediate volcanic units. Shallow RAB and aircore drilling in the 1990s within a sequence of black shales at the Altair prospect intersected a small zone of copper mineralisation, while limited deeper follow-up drilling at the time failed to find any extension to the copper mineralisation.

In August 2018, Horizon completed one drill hole, ALDD002, to test the interpreted east-dipping black shale/ intermediate volcanic contact below the depth of the historical drilling. ALDD002 returned the following significant zinc-copper base metal intersection (Horizon Annual Report, 2019):

- 55.0 m averaging 3.32% Zn and 0.52% Cu from 184.0 m down hole depth, including 9.0 m averaging 6.69% Zn and 1.00% Cu from 213.0 m down hole depth.

This result was followed up with two subsequent drill programs between November 2018 and March 2019, which consisted of 18 RC with diamond tailed holes and 2 RC holes (ALDD003 to ALDD022) for a total of 6,832 m.

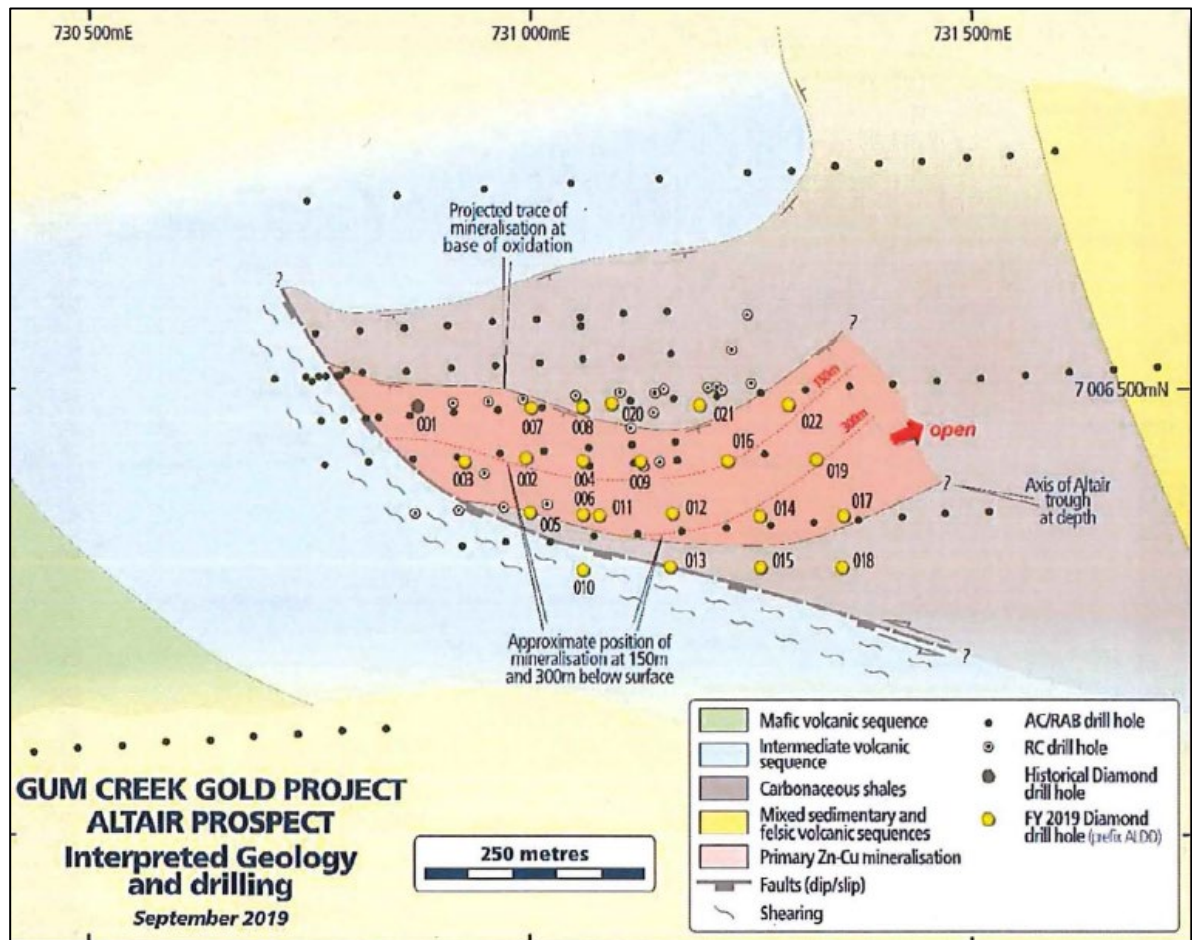


Figure 2-18: Drill plan location map at the Altair prospect

Source: Horizon Annual Report, 2019

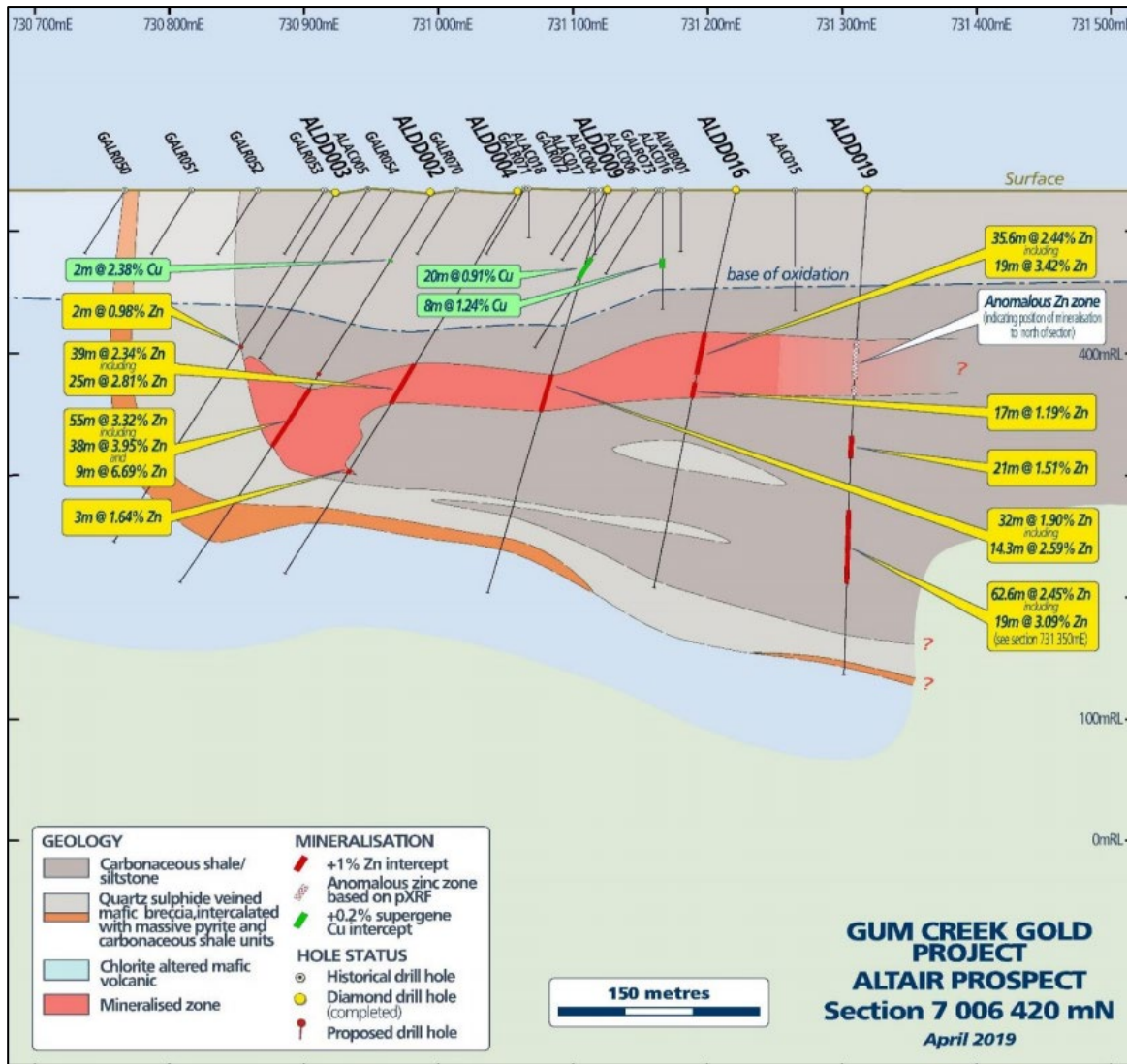


Figure 2-19: Altair prospect – cross section at 7006420 mN (±20 m)

Source: Horizon Annual Report, 2019

A downhole electromagnetic geophysical survey (DHEM) was carried out by Horizon during the 2019 exploration drilling campaign and showed positive response in holes ALDD002 and ALD009 with a 70-millisecond exponential decay constant, coincident with the mineralised intervals.

In June 2019, a moving loop electromagnetic (MLEM) geophysical survey was carried out at a broad spacing of 200 m by 200 m for a total of 323 survey stations for a total of 43 line kilometres of survey. The program was designed to confirm the electromagnetic response identified by the DHEM and subsequently identify any additional extensions including areas of anomalism highlighted by the 2015 SkyTEM geophysical survey at the Mensa prospect to the north, and to allow for better modelling and targeting for further drill testing.

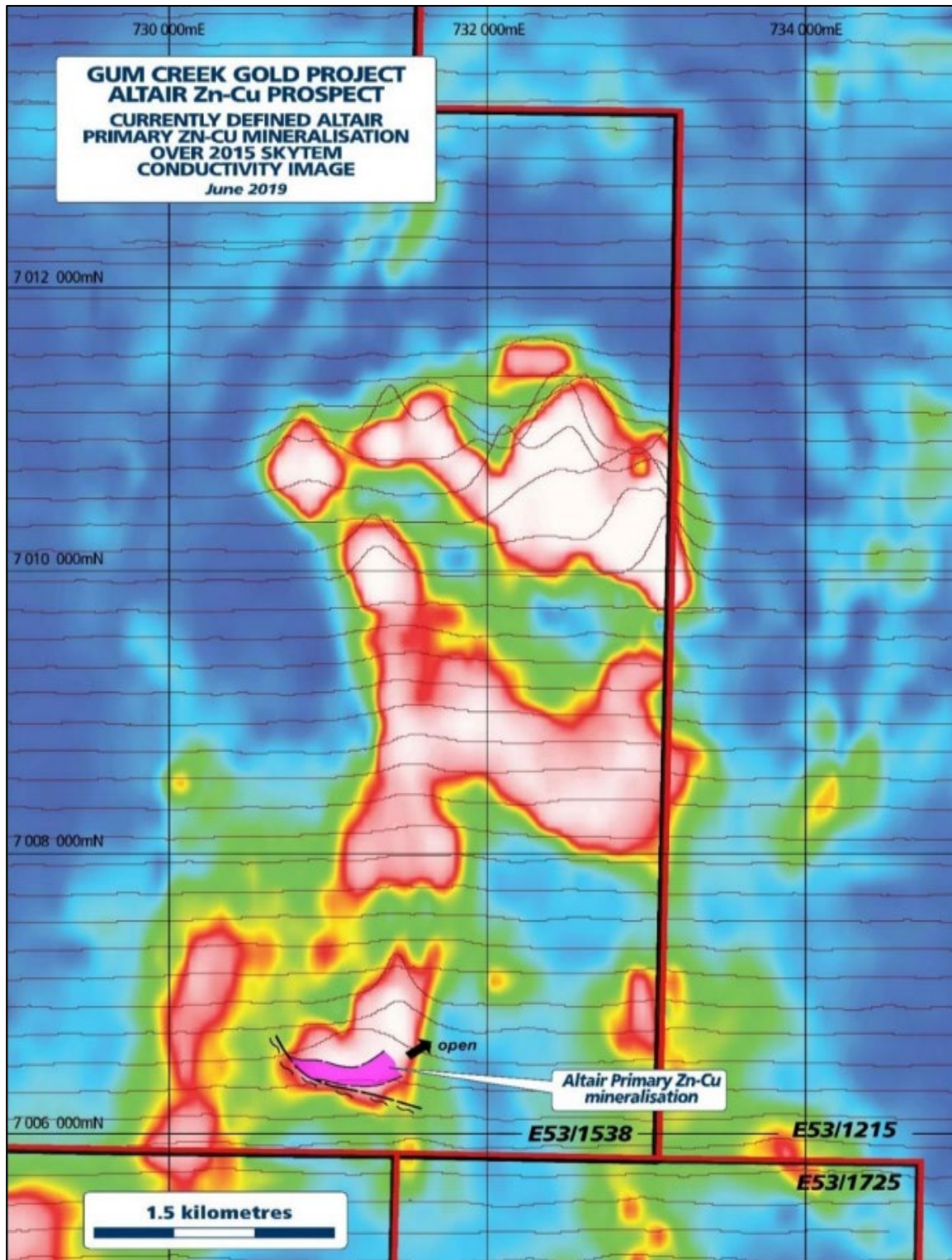


Figure 2-20: SkyTEM conductivity results at the Altair prospect from 2015

Source: Horizon Annual Report, 2019

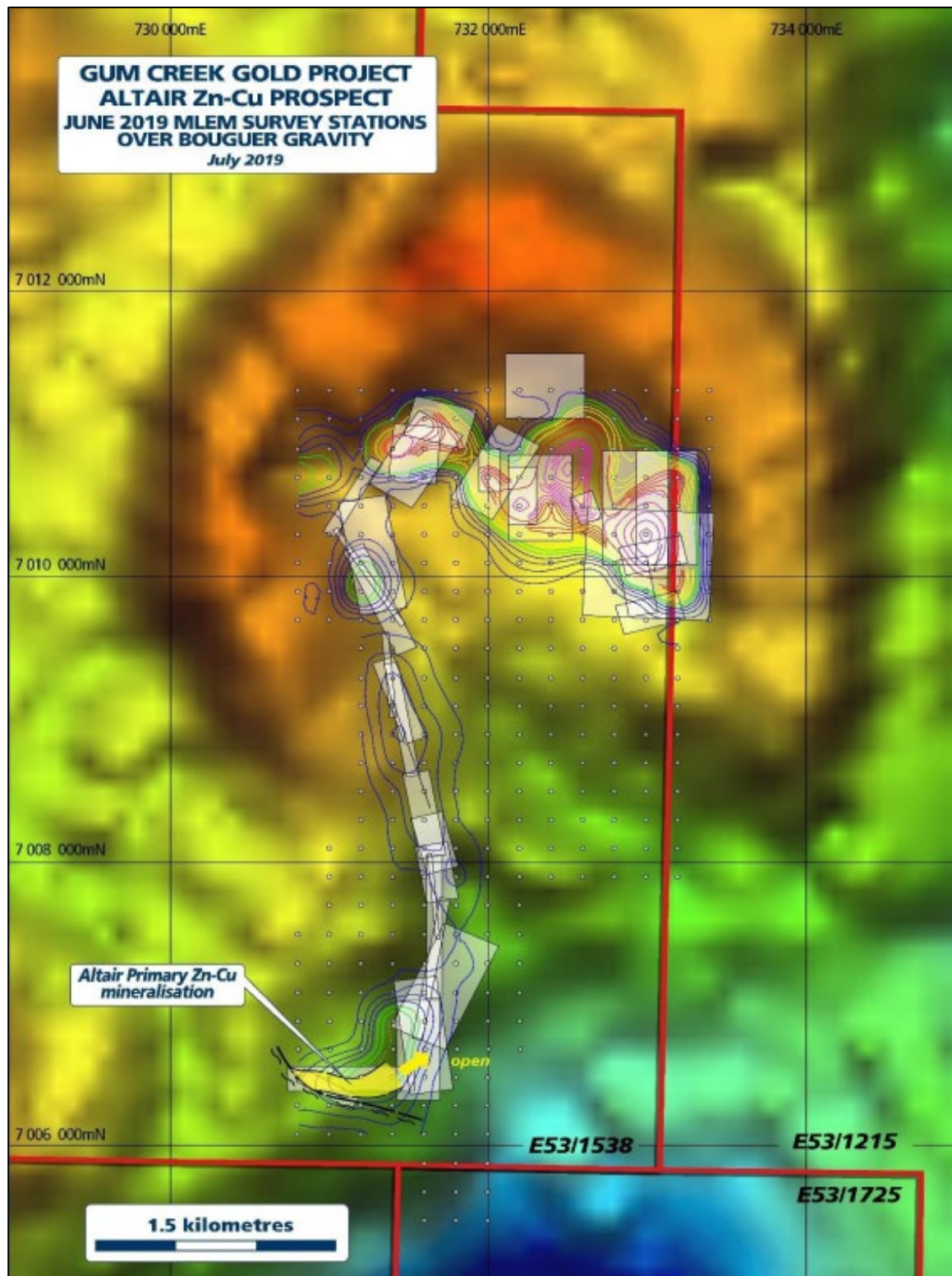


Figure 2-21: MLEM survey results and modelled plates over Bouguer gravity

Source: Horizon ASX Announcement (16 July 2019)

A program of metallurgical testwork to determine the comminution and flotation characteristics of the Altair zinc-copper-silver mineralisation has been completed. The test results indicate that the mineralisation will require hydrometallurgical technologies to separate and recover the metals.

Recent exploration by Horizon has identified a broad continuous lens of zinc-copper-silver mineralisation over a strike length of more than 450 m. The maximum down dip extent and average

thickness of the lens are 350 m and 25 m, respectively. Importantly, the mineralised lens remains open to the north and east. Modelled geophysical conductors suggest potential extensions to this mineralisation could be up to 8 km in strike length.

SRK considers the Altair prospect to offer moderate to high prospectivity. Horizon has not publicly reported an Exploration Target for Altair under JORC Code (2012) reporting guidelines, although SRK understands that geological modelling by the Horizon technical team has defined a target area and prepared an internal volume estimate.

Toedter West

The Toedter West prospect consists of a 6 km long (mostly buried) BIF unit, with coincident geophysical zones of demagnetisation and electromagnetic conductivity, which are interpreted as being potentially sulphide-bearing.

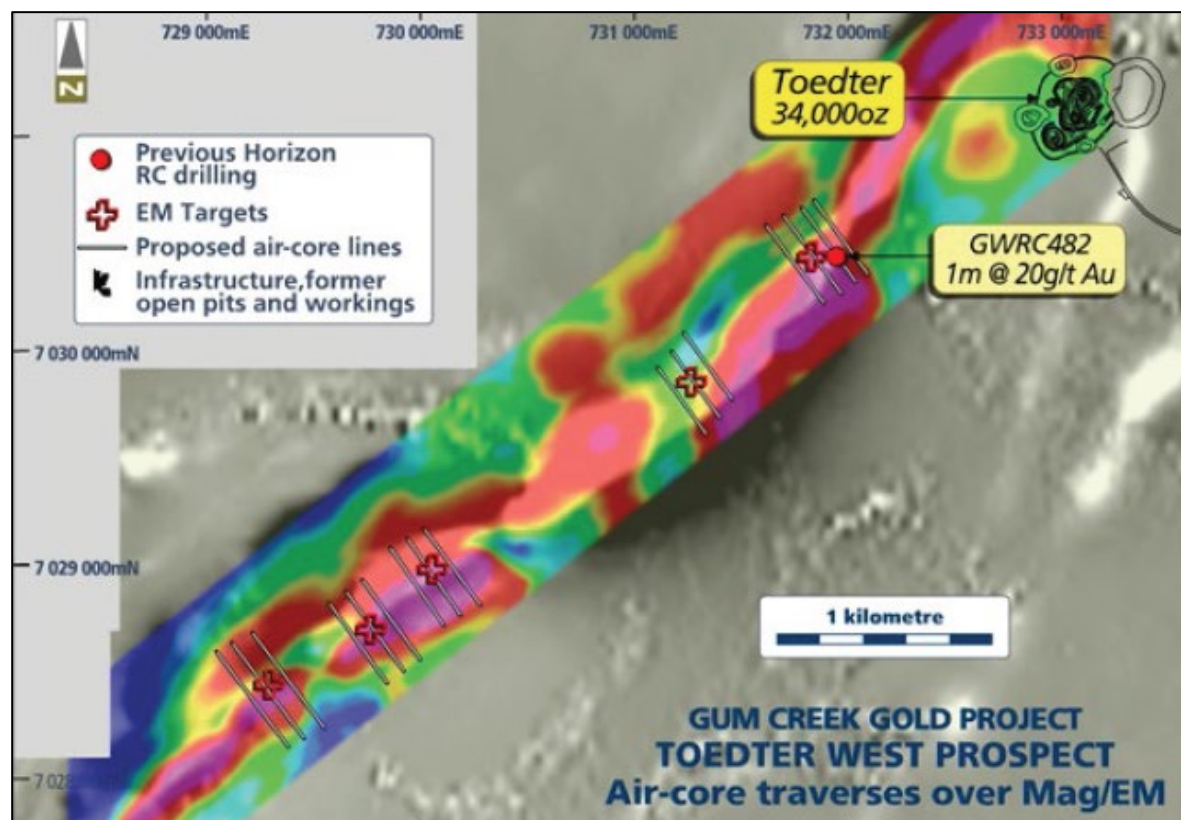


Figure 2-22: Aircore traverses at Toedter West prospect over magnetics and electromagnetics

Source: Horizon Prospectus (Horizon Gold Annual Report, 2018)

Horizon's 2018 Annual Report notes that, in total, 87 aircore holes were drilled in 2018 for a total of 2,775 m; the best reported result was from hole GPAC1353, which intersected 3.0 m at 0.71 g/t Au from 76 m downhole depth.

An additional 42 aircore holes were drilled at the Toedter West prospect in 2019 for approximately 1,500 drilled metres. The results from this drilling have not yet been reported.

SRK considers the Toedter West prospect to offer low prospectivity.

Heron South

The Heron South prospect is approximately 650 m in length and ranges in thickness from 2 m to 10 m. Most of the mineralisation occurs in a steep east-dipping shear, although small pods of flat-lying

supergene mineralisation have also been interpreted. An existing pit was mined to a depth of approximately 60 m below surface (Figure 2-23).

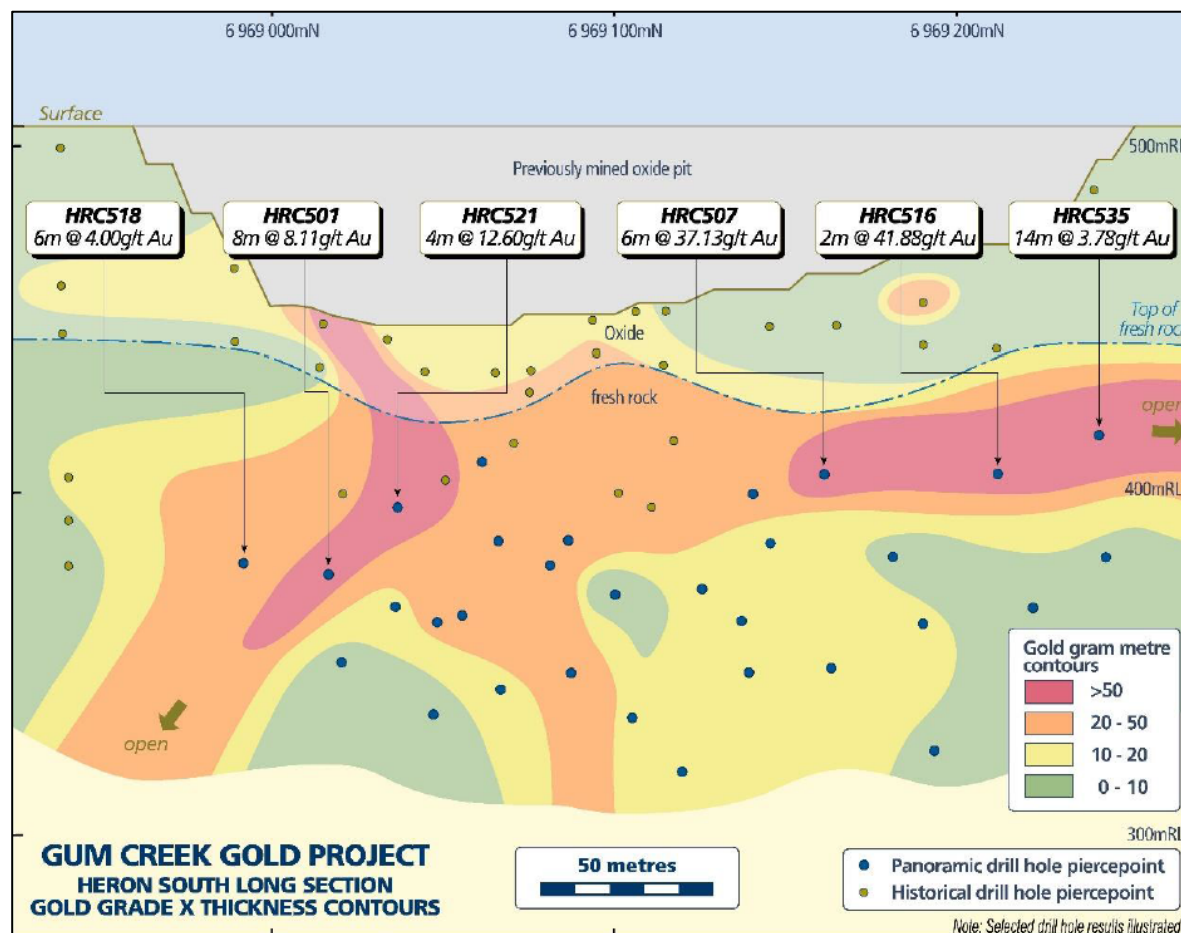


Figure 2-23: Section showing mineralisation and previous workings at the Heron South prospect

Source: Horizon Prospectus (October 2016)

The Heron South prospect was drilled using RC, aircore and diamond drilling techniques. A total of 277 RC holes for 23,197 m, 74 aircore holes for 5,536 m and 3 diamond holes for 564 m were completed. Of these, 36 diamond holes and 47 aircore holes were drilled by PanGold in 2011 and 2012. The nominal drill spacing is 25 m by 10 m.

The Mineral Resources at Heron South are unchanged from those estimated in 2013 by BMGS.

PSI

The PSI prospect consists of down plunge extensions to high-grade structurally controlled BIF-hosted gold. Drilling conducted in 2017 identified that the grades and thicknesses encountered were consistent with historical drilling intercepts and confirmed that mineralisation was confined to a single mineralised structure or shear associated with the BIF. The mineralisation plunges moderately to the south but is flatter than previously thought.

Horizon's 2018 Annual Report notes that a total of 14 holes for 1,369 m were drilled in 2017, with returned results including:

- GWRC462: 7 m at 4.94 g/t Au from 55 m down hole depth
- GWRC464: 6 m at 4.16 g/t Au from 80 m down hole depth
- GWRC466: 5 m at 4.415 g/t Au from 68 m down hole depth

- GWRC467: 5 m at 3.60 g/t Au from 62 m down hole depth
- GWRC469: 4 m at 5.34 g/t Au from 60 m down hole depth.

Four additional holes were completed in early 2018 and reported the following significant results:

- 12 m at 1.27 g/t Au from 96 m down hole depth
- 8 m at 1.45 g/t Au from 100 m down hole depth
- 8 m at 2.32 g/t Au from 145 m down hole depth.

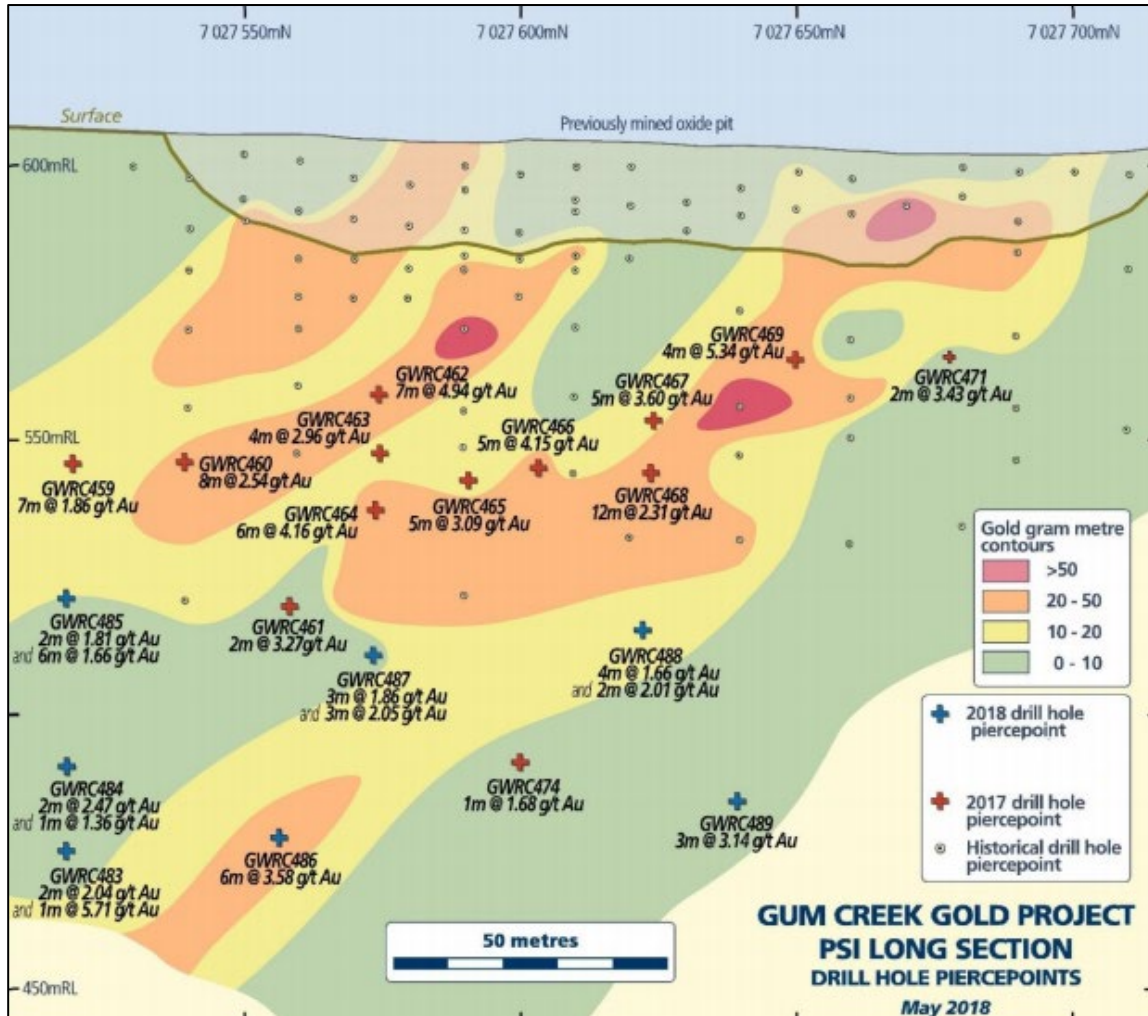


Figure 2-24: Drilling intercepts and cross section of PSI mineralisation

Source: Horizon Annual Report, 2018

SRK considers the PSI prospect to be moderately prospective.

Wahoo East

The target at Wahoo East is a series of structure and surface gold anomalism associated with an interpreted and underlying non-emergent granitic intrusion. A total of 74 aircore holes were drilled at the Wahoo East prospect for approximately 2,900 m in 2019. The results from this this drilling have not yet been reported. SRK considers the Wahoo East prospect to be low to moderately prospective.

Ray Charles, Rail, Big West and Camel Bore

Several additional prospects/ targets have been identified or referred to, for which there is limited information available in the public domain.

Limited recent reporting was available at a number of named targets, including:

- Ray Charles: tested with four RC holes, no significant gold detected, and no further work planned.
- Rail and Big West: tested with four RC holes, no significant gold detected, and no further work planned.
- Camel Bore: tested with three RC holes, no significant gold detected, and no further work planned.
- Melbourne Bitter: tested with four aircore holes returning minor to moderate gold anomalism, including:
 - 4 m at 1.62 g/t Au from 96 m down hole depth
 - 4 m at 1.32 g/t Au from 0 m
 - 4 m at 3.38 g/t Au from 76 m down hole depth
 - 4 m at 0.77 g/t Au from 32 m down hole depth.
- Orion/ Gidgee South: tested with three aircore holes returning minor gold anomalism, including:
 - 4 m at 0.83 g/t Au from 32 m down hole depth
 - 4 m at 1.0 g/t Au from 60 m down hole depth
 - 4 m at 2.21 g/t Au from 72 m down hole depth.

No further work is planned.

2.5 Other considerations

2.5.1 Infrastructure

Significant historical infrastructure exists at the Project, much of which is located within 5 km of the existing Swan and Swift open pits, including:

- Accommodation camp (currently capable of accommodating 50 people), which requires refurbishment
- Gravel airstrip, which has been maintained and recently been used for exploration activities
- TSF (with a rock capping) that would require an additional raise prior to any future use
- Workshop, stores, offices and buildings in varying conditions
- CIL processing plant designed for 500,000 tpa throughput; significant refurbishment would be required to return this facility to operational status.

2.5.2 Native title and Environmental Liabilities

Much of the land area covered by the Project is not subject to claims under the *Native Title Act 1993 (Cth)* (NTA). A registered claim by the Yuunga-Nya People overlaps the northern part of the Project area and a registered claim by the Tiwarl Group covers tenements on the eastern side of the Project and partly overlaps M 53/153, which covers the Wilsons deposit; however, SRK understands the Mining Lease was granted in 1990, prior to the NTA coming into effect.

SRK understands that all currently reported Mineral Resources are located on granted Mining Leases and are not subject to claims under the NTA.

SRK understands that there are current environmental liabilities at the Project pertaining to the historical mining activities and areas that are the responsibility of the registered title holder. Horizon estimated that the cost to rehabilitate the site is approximately A\$10.32M (Horizon Annual Report, 2019). SRK's valuation does not include a provision for this liability.

2.5.3 Royalties

On any future production from the Project, state royalties will be distributed to the Western Australian Government at the rate of 5.0% of the royalty value of any gold produced. This rate is the *ad valorem* rate that applies to gold metal as defined under *Mining Regulations 1981* (Regulation 85).

There are several third-party royalty agreements over various tenements that comprise the Project. These agreements were reported by Horizon in its 2016 Prospectus (Table 2-3).

Table 2-3: Summary of third-party royalty agreements

Royalty agreement	Royalty holder	Affected tenements	Key royalty terms
Buttercup Bore	Royal Gold Inc.	M53/716 M53/500 E53/1215 (pt) E53/1144 (pt)	2% interest on all gold produced from the Buttercup Bore Tenements
Mount Townsend	Barrick (PD) Australia Pty Limited and Kundana Gold Pty Ltd	M53/153 M53/252 P53/1582 L53/95 (pt) E53/1215 (pt) E53/1725 (pt) E53/1273 (pt)	Base rate of \$2.25/t ore treated up to the first 500,000 tonnes, thereafter \$2.75 per tonne treated, multiplied by ratio of gold price divided by \$470/oz
Andrewartha	John Andrewartha	M57/634 (pt)	4% net profit interest royalty
Twin Hills	Twin Hills Operations Pty Ltd	M57/634 (pt)	Royalty per tonne calculated by the formula: $R = \frac{P}{500} \times \frac{G}{3} \times \frac{19.6}{49}$ Where: R = royalty rate per tonne of ore treated P = Perth Mint gold price in A\$ G = average head grade in g/t Payable quarterly in arrears
Franco-Nevada	Franco-Nevada Australia Pty Ltd	M57/634 (pt) E57/633 (pt) P57/1304 (pt)	Royalty per tonne calculated by the formula: $R = \frac{P}{500} \times \frac{G}{3} \times \frac{29.4}{49}$ Where: R = royalty rate per tonne of ore treated P = Perth Mint gold price in A\$ G = average head grade in g/t Payable quarterly in arrears
Murchison Downs	Newsat Limited	M51/104 M51/105 M51/410 E51/1144 E53/1215	Royalty per tonne calculated by the formula: $R = \$2.00 \times \frac{P}{500}$ Where: R = royalty rate per tonne of ore treated P = Perth Mint gold price in A\$ Payable quarterly in arrears
Howards	Sandstorm Limited	Gold E57/633 (pt) M57/635	\$10 per ounce of gold mined and processed after the first 30,000 ounces
Orion	Sandstorm Limited	Gold M51/458 E51/1538 (pt) E53/1215 (pt)	\$10 per ounce of gold mined and processed after the first 30,000 ounces

Source: Horizon Prospectus (October 2016)

In SRK's opinion, the royalties presented in Table 2-3 are not likely to have any material impact on the market valuation of the Project or its comparability to other gold projects of a similar maturity. The royalties are contingent upon the probability of future production and cannot be reasonably valued without forward-looking estimates.

2.5.4 Commodity prices

According to the Australian Government's Resources and Energy Quarterly (AGREQ), March 2020 Edition, the London Bullion Market Association (LBMA) gold price reached a 7-year high of above the US\$1,600 per ounce mark in mid-February, as worries about the COVID-19 pandemic sparked a move to safe haven assets. Since mid-February, the US dollar gold price has continued to rise with short-term volatility due to profit-taking in the speculative markets and uncertainty surrounding oil economics. As at 20 April 2020, the US dollar gold price was US\$1,695 (A\$2,676) per ounce (Figure 2-25).

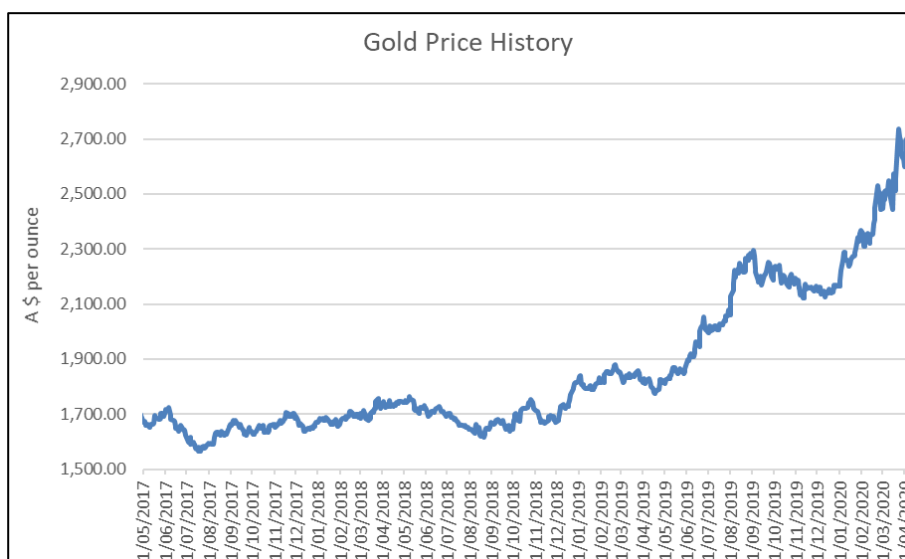


Figure 2-25: Gold price history

Source: S&P Global Market Intelligence

The COVID-19 outbreak is likely to have an impact on Chinese and global economic growth. Geopolitical tensions in the Middle East and the Korean peninsula are unlikely to be resolved in the short term. The low interest rate environment is likely to continue to be a major factor driving institutional investment demand for gold. With (real) interest rates remaining low in historical terms, the opportunity cost of holding gold is low, raising its attractiveness as an investment asset in times of uncertainty.

Between 2020 and 2025, gold prices are projected to fall by around 3.7% a year in real terms due to the recovery of the global economy and a higher interest rate environment. These factors are expected to undermine some of gold's appeal to institutional investors. Funds are expected to move out of safe haven assets like gold into riskier assets. The pace of central bank gold buying is expected to decrease at an annual rate of 4.0% over the outlook period, amidst a modestly lower appetite for gold reserves.

2.5.1 Previous valuations

In 2018, CSA Global, an independent mining consultancy, completed a valuation for impairment testing purposes by Horizon's auditors with a valuation date of 30 June 2018 (Table 2-4).

Table 2-4: CSA's Valuation summary of the Project as at 30 June 2018

Mineral Asset	Equity (%)	Valuation (A\$M)		
		Low	Preferred	High
Mineral Resources	100	10.8	15.4	20.0
Exploration Targets	100	1.0	1.9	2.9
Surrounding Tenure	100	1.3	3.5	5.7
Total	100	13.0	20.8	28.6

The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

Source: CSA, 2018

Since 30 June 2018, there have been minor increases in the reported Mineral Resources at the Project. These increases are a result of additional exploration, principally at Butcherbird and Premium Lode Shear, which were previously reported as exploration targets. These exploration targets have both been converted into Mineral Resources and included as part of the Swan and Swift Mineral Resource update in June 2019.

In December 2019, SRK prepared an Independent Specialist Report on the mineral assets of Panoramic (December 2019 ISR). The December 2019 ISR included SRK's opinion on the market valuation of the mineral assets of Horizon (Table 2-5) as noted in Section 1.6.2 of this Report. The fees paid to SRK by Panoramic for the December 2019 ISR were approximately A\$63,000.

The total contained gold ounces valued by CSA Global in 2018 were 1.25 Moz; the total contained ounces considered in the December 2019 ISR and in this ISR are 1.39 Moz.

Table 2-5: SRK's Valuation summary of the Project as at 18 December 2019

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Mineral Resources	17.1	29.7	24.0
Exploration Potential	4.6	10.3	8.2
Total	21.7	40.0	30.9

At the time of CSA's valuation, the gold price was A\$1,691.53/oz and SRK's December 2019 ISR was prepared using a gold price of A\$2,135/oz compared to the current gold price of A\$2,679/oz. In preparing this Report, SRK has considered CSA's valuation and the December 2019 ISR, where applicable.

2.5.2 Previous transactions

Acquisition of Gidgee Gold Project

On 31 January 2011, PanGold announced the acquisition of a 100% interest in the Gidgee gold project (excluding tenement M 53/153, which covered the Wilsons refractory gold deposit) from Apex for A\$15.5M in cash. At the time of the transaction, the Gidgee project contained a reported Mineral Resource of 310,000 oz in the Measured (9 koz), Indicated (155 koz) and Inferred (145 koz) Mineral Resource categories. The raw implied transaction multiple from this transaction is A\$49.98/oz. The implied transaction multiple is A\$100.0/oz when normalised using the 20 April 2020 gold price of A\$2,676/oz.

Acquisition of Wilsons Gold Project

On 23 May 2012, PanGold announced the acquisition of a 100% interest in the Wilsons project from Apex for A\$8M in cash. At the time of the transaction, the Wilsons project contained a reported Mineral Resource of 325,000 oz in the Indicated (215 koz) and Inferred (110 koz) Mineral Resource categories. The raw implied transaction multiple is A\$24.65/oz. The implied transaction multiple is A\$41.2/oz when normalised using the 20 April 2020 gold price of A\$2,676/oz.

3 Valuation

3.1 Valuation basis

In estimating the value of the Project as at the Valuation Date of 20 April 2020, SRK has considered various valuation methods within the context of the VALMIN Code (2015). SRK has considered the Mineral Resources, as well as the prospectivity of the associated mineral tenure. SRK's valuation basis is presented in Table 3-1.

Table 3-1: Valuation basis of the Gum Creek Project

Deposit or prospect	Development stage	Description	Valuation basis
Swan, Swan North, Swift	Pre-development	Mineral Resources, with Scoping Studies underway held under Mining Leases	Market: Comparable Transactions (resource multiples) Cost: Yardstick
Wilsons, Toedter, Specimen Well, Shiraz, Kingfisher, Heron South, Howards	Advanced Exploration to Pre-development	Mineral Resources, held under Mining Leases	Market: Comparable Transactions (resource multiples) Cost: Geoscientific Rating
Altair, Mensa, Wahoo East	Advanced Exploration	Exploration Potential held under Mining Leases and Exploration Licences without Resources	Market: Comparable Transactions (area-based multiples) Cost: Geoscientific Rating

The current Mineral Resource estimates are all hosted within granted Mining Leases. In preparing its opinion of the market value of the exploration potential outside of the Mineral Resource estimates, SRK has excluded the land areas that host the Mineral Resource estimates. SRK has estimated the resource areas as a percentage of the tenure and deducted this from the total tenure areas.

3.2 Valuation of the Mineral Resources

3.2.1 Comparable market transactions

SRK has reviewed transactions involving recent Western Australian gold projects. SRK identified 38 transactions for which sufficient information was available to calculate a resource multiple. SRK's analysis of the implied resource value multiples is based on the reported Mineral Resources described in Table 3-2 and Table 3-3.

The implied transaction multiple for resources is expressed in A\$/oz; it is calculated from the transaction value (at the implied 100% acquisition cost) and the total contained resources associated with the project.

Importantly, while transaction multiples are widely used in valuation, they rely on the assumption that the reported Mineral Resources have been appropriately reported and can be taken at face value. As such, the method assumes that differences in reporting regimes, between different Competent Persons, resource classification, metal recovery and adopted cut-off grades (which may change between assets and/ or companies) do not materially influence the implied multiple. The method implicitly assumes total recoverability of all metal tonnes/ ounces, as reliable and accurate data are generally not disclosed or available around the time of most transactions or for all companies. Importantly, SRK's implied value calculations are for the purposes of its valuation and do not attempt to estimate or reflect the metal likely to be recovered as required under the JORC Code (2012).

The transaction multiples have been adjusted by normalising the multiples using the difference between the gold spot price at the time of the transaction and the gold price as at the Valuation Date. Both the raw and normalised values are presented, where adjustments have been made. Acknowledging that the gold price has been volatile in recent months, SRK has elected to use the spot gold price for valuing the Mineral Resources rather than a trailing average price, as the current market sentiment for comparable projects is bullish.

The average, median and weighted average values decrease according to development stage. For example, when considering the weighted average normalised multiples only, projects in operation or construction imply normalised multiples of A\$71/oz, decreasing to A\$35/oz for projects in care and maintenance through to pre-development, decreasing again to A\$14/oz.

Table 3-2: Resource based transaction multiple analysis

	Resource multiple – raw (A\$/oz Au)	Resource multiple – normalised (A\$/oz Au)
All		
Minimum	0.87	2
Median	14.32	24
Average	38.80	62
Maximum	261.37	447
Weighted average (ounces)	49.87	82
Projects in Operation or Under Construction		
Minimum	13.50	23
Median	59.33	99
Average	112.16	188
Maximum	261.37	447
Weighted average (ounces)	44.58	71
Projects in Care and Maintenance to Pre-development		
Minimum	1.25	2
Median	11.24	19
Average	19.61	31
Maximum	67.46	103
Weighted average (ounces)	22.61	35
Advanced Exploration		
Minimum	0.87	2
Median	5.89	9
Average	12.20	19
Maximum	54.67	85
Weighted average (ounces)	8.68	14

Source: SRK analysis.

Based on the transactions available, SRK considers that the market would pay between A\$19/oz Au and A\$31/oz Au for the Mineral Resources at the pre-development stage. SRK further considers that the market would pay between A\$9/oz Au and A\$19/oz Au for the Mineral Resources at the advanced to pre-development stage. These ranges are based on the median and mean values implied by the transaction analysis. The midpoint of these ranges was selected as the preferred value.

The implied values of the Project's Mineral Resources on a comparable basis are provided in Table 3-3. In SRK's opinion, the Mineral Resources at Swan and Swift (totalling 499,000 troy ounces in Mineral Resources) best represent pre-development assets. SRK considers the remaining Mineral Resources at the Wilsons, Shiraz, Howards, Specimen Well, Toedter, Kingfisher and Heron South projects (totalling 887,000 troy ounces in Mineral Resources including 471,000 refractory ounces) to best represent advanced exploration to pre-development assets.

Table 3-3: Valuation of the Gum Creek Resources – Comparable transaction methods

Development stage	Contained troy ounces	Multiple low (A\$/oz)	Multiple high (A\$/oz)	Multiple preferred (A\$/oz)	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Pre-development	499,000	19	31	25	9.5	15.5	12.5
Advanced Exploration to Pre-development	887,000	9	19	14	8.0	16.9	12.4
Total					17.5	32.3	24.9

Note: Any discrepancy between figures is due to rounding.

3.2.2 Yardstick valuation

As a cross check to the values implied by market multiples, SRK has also considered standard industry yardsticks. Under the yardstick method of valuation, specified percentages of the spot price are used to assess the likely value. Commonly used yardstick factors are:

- Measured Resources - 2.0% to 5.0% of the spot price
- Indicated Resources - 1.0% to 2.0% of the spot price
- Inferred Resources - 0.5% to 1.0% of the spot price
- Exploration Targets - 0.1% to 0.5% of the spot price.

For the purposes of its analysis, SRK has used the gold spot price as at 20 April 2020, being A\$2,676/oz.

The implied values of the Mineral Resources at the Project on a yardstick basis only are provided in Table 3-4. Mineral Resources are split by development category to facilitate comparison with the values derived from the comparable transactions method.

Table 3-4: Valuation of the Gum Creek Project Mineral Resources – Yardstick method

	Yardstick factor low (%)	Yardstick factor high (%)	Contained Au (troy ounces)	Value low (A\$M)	Value high (A\$M)	Value preferred (A\$M)
Value by Category – Pre-development Resources						
Measured	2.0	5.0	-	-	-	
Indicated	1.0	2.0	405,806	10.9	21.7	16.3
Inferred	0.5	1.0	484,479	6.5	13.0	9.7
Subtotal			890,285	17.3	34.7	26.0
Value by Category – Advanced Exploration to Pre-development Resources						
Measured	2.0	5.0	-	-	-	
Indicated	1.0	2.0	330,091	8.8	17.7	13.3
Inferred	0.5	1.0	167,460	2.2	4.5	3.4
Subtotal			497,551	11.1	22.2	16.6
Total				28.4	56.8	42.6

Note: Any discrepancy between figures is due to rounding.

3.2.3 Mineral Resources – Valuation Summary

SRK has elected to adopt the values implied by the comparable sales method (in preference to those implied by the yardstick method) as the basis for the value of the Mineral Resources at the Project, given the current market sentiment and availability of comparable transactions information. SRK estimates that the value of a 100% interest in the Mineral Resources lies in the range between A\$21.4M and A\$37.1M, with a preferred value of A\$29.2M (Table 3-5), which is the midpoint of the range.

Table 3-5: Summary valuation – Gum Creek Project Mineral Resources

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable market transactions	17.5	32.3	24.9
Yardstick	28.4	56.8	42.6
Selected	17.5	32.3	24.9

3.3 Valuation of the Exploration Potential

3.3.1 Comparable market transactions

SRK has also reviewed recent transactions involving early to advanced stage Western Australian gold exploration projects (i.e. without defined gold resources). SRK identified 36 transactions (Appendix A-1) for which sufficient information was available to calculate an area multiple. SRK's analysis of the implied area value multiples was based on the reported areal extent of mineral tenure as described in Table 3-6.

The area-based transaction multiple is expressed in A\$/km²; it is calculated from the transaction value (at the implied 100% acquisition cost) and the total area of the project tenure acquired.

SRK has considered the dataset in terms of the type of tenure acquired, as highlighted in Table 3-6. There is a clear distinction in the implied price paid for Mining Leases, Exploration Licences and mixed tenure projects. For example, on a normalised basis and considering the weighted average only, Exploration Licences transacted for A\$5,393/km², while Mining Leases transacted for A\$263,847/km². Mixed tenure projects transacted in between, with an implied transaction multiple of A\$43,420/km².

SRK notes there is also a clear relationship between the size of tenure acquired and the implied acquisition price per square kilometre. Mining Leases are generally smaller than Exploration Licences and are also generally more advanced, consequently generally attracting higher purchase prices on an implied value multiple basis. However, the relationship also holds true when these datasets are reviewed exclusively. This is logical because as exploration progresses an explorer relinquishes ground, retaining only the most prospective areas.

Table 3-6: Area-based transaction multiple analysis

	Area multiple (A\$/km ²)	Normalised area multiple (A\$/km ²)
All		
Minimum	68.42	114
Median	3,603.60	5,031
Average	88,440.00	140,954
Maximum	1,455,479.45	2,396,729
Weighted average (area)	11,169.62	16,449
Gold – Projects with only Exploration Licences		
Minimum	68.42	114
Median	2,622.83	4,068
Average	13,008.89	21,555
Maximum	107,142.86	188,233
Weighted average (area)	3,467.28	5,393
Gold – Projects with only Mining Leases		
Minimum	15,644	26,933
Median	192,308	304,051
Average	601,928	973,657
Maximum	1,455,479	2,396,729
Weighted average (area)	210,270	263,847
Gold – Projects with a mix of Prospecting Licences, Exploration Licences and Mining Leases		
Minimum	1,558	2,612
Median	10,571	16,158
Average	37,742	50,277
Maximum	186,113	231,860
Weighted average (area)	34,603	43,420
Copper/ other – Projects with Exploration Licences		
Minimum	319	532
Median	1,536	2,560
Average	1,569	2,609
Maximum	2,884	4,781
Weighted average (area)	1,744	2,188

Source: SRK analysis

Based on SRK's transaction analysis, SRK considered the mixed range of tenure held within the Project according to its size and type. Based on the transactions available (after removing outliers both low and high), SRK considers that the market would pay between A\$25,000/km² and A\$125,000/km² for the Mining Leases and between A\$1,250/km² and A\$25,000/km² for the Exploration Licences at the Project, according to SRK's assessment of the prospectivity of each tenement. These ranges reflect the large and coherent nature of the project tenure and its position relative to the Mineral Resources. SRK selected its preferred values based on the midpoint of the range allocated to each tenement.

SRK estimated the percentage of each tenement covered by Mineral Resources to allow these areas to be valued separately. For very small Mining Leases containing Mineral Resources, this resulted in little or no remaining area; consequently, these have been assigned no value on an area basis as all the value is attributable to the Mineral Resources.

The implied values of a 100% interest in the exploration potential associated with the Project using the comparable transaction method are provided in Table 3-7.

Table 3-7: Exploration valuation – Comparable transactions method

Tenement	Prospect or deposit	Area (km ²)	Area valued (km ²)	Multiple low	Multiple high	Multiple preferred	Low (A\$M)	High (A\$M)	Preferred (A\$M)
P 57/1304	-	0.48	0.48	31,250	78,125	46,875	0.01	0.03	0.02
P 53/1582	-	0.60	0.60	31,250	78,125	46,875	0.02	0.04	0.02
P 53/1577	-	0.05	0.05	31,250	78,125	46,875	0.00	0.00	0.00
E 57/1105	-	70.31	70.31	3,906	11,719	7,813	0.22	0.66	0.44
E 51/1844	-	61.25	61.25	3,906	11,719	7,813	0.19	0.57	0.38
E 57/1104	Toedter West	36.52	36.52	7,813	15,625	11,719	0.23	0.46	0.34
E 57/1093	-	59.69	59.69	3,906	11,719	7,813	0.19	0.56	0.37
E 53/1955	-	82.33	82.33	3,906	11,719	7,813	0.26	0.77	0.51
E 51/1538	Altair, Mensa	86.47	86.47	3,906	11,719	10,938	0.27	0.81	0.76
E 57/1100	-	15.25	15.25	7,813	15,625	14,063	0.10	0.19	0.17
E 53/1725	-	88.86	88.86	3,906	11,719	10,938	0.28	0.83	0.78
M 51/458	-	6.20	6.20	78,125	156,250	117,188	0.39	0.78	0.58
M 53/10	-	0.10	0.10	78,125	156,250	117,188	0.01	0.01	0.01
M 53/988	-	5.12	5.12	78,125	156,250	117,188	0.32	0.64	0.48
M 53/153	Shiraz, Wilsons	9.17	1.83	78,125	156,250	93,750	0.11	0.23	0.14
M 51/105	-	1.17	1.17	78,125	156,250	117,188	0.07	0.15	0.11
M 51/185	-	2.48	2.48	78,125	156,250	117,188	0.16	0.31	0.23
M 53/904	-	0.08	0.08	78,125	156,250	148,438	0.01	0.01	0.01
M 57/635	Howards	14.43	7.22	78,125	156,250	117,188	0.45	0.90	0.68
M 53/716	-	2.54	2.54	78,125	156,250	148,438	0.16	0.32	0.30
M 51/157	Specimen Well	0.93	-	78,125	156,250	148,438	0.00	0.00	0.00
M 53/11		0.10	0.10	78,125	156,250	117,188	0.01	0.01	0.01
M 57/634	Swan North, Swan, Swift, Kingfisher, Heron South	48.10	38.48	39,063	78,125	70,313	1.20	2.41	2.16
M 53/251	-	1.70	1.70	78,125	156,250	132,813	0.11	0.21	0.18
M 51/290	-	0.05	0.05	78,125	156,250	148,438	0.00	0.01	0.01
M 53/105	-	5.66	5.66	78,125	156,250	117,188	0.35	0.71	0.53
M 51/186	PSI	3.65	3.65	78,125	156,250	132,813	0.23	0.46	0.39
M 51/104	-	0.37	0.37	78,125	156,250	148,438	0.02	0.05	0.04
M 51/410	Toedter	3.54	0.71	78,125	156,250	117,188	0.04	0.09	0.07
M 53/500	-	3.90	3.90	78,125	156,250	117,188	0.24	0.49	0.37
Total							5.6	12.7	10.1

3.3.2 Geoscientific rating method

SRK also used the geoscientific rating method as a secondary valuation method to estimate the market value of the exploration tenure and cross check the values implied by the comparable sales methods. The geoscientific rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value and is considered to be a cost-based method of valuation. The intrinsic value is referred to as the Base Acquisition Cost (BAC), which represents the 'average cost to identify, apply for and retain a base unit of area of title' for 1 year.

Multipliers are considered for off-property aspects, on-property aspects, anomaly aspects, and geology aspects. These multipliers are applied sequentially to the BAC to estimate the technical value for each tenement. A further market factor is then considered to derive a market value. A BAC of A\$800/km² has been assumed in this valuation, which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition and costs of identification (Table 3-8).

Table 3-8: Base acquisition cost for Western Australian Exploration Licences

Cost type	Cost	Cost per km ²	Total cost (A\$)
Application fee	356.00		356.00
Annual rent for Year 1		58.00	4,060.00
Minimal expenditure		300.00	21,000.00
Costs of identification	15,000.00		15,000.00
Legal costs, negotiations and compensation agreements	20,000.00		20,000.00
Security	5,000.00		5,000.00
		Total cost	55,416.00
		Estimated BAC (per km²)	791.66

SRK applied a 1.25 market factor to the technical value ranges implied by the analysis, given the current market sentiment and recent gold price performance. Using the geoscientific rating method, SRK considers the market would pay between A\$5.7M and A\$15.9M, with a preferred value of A\$10.8M, for a 100% interest in the Exploration Potential outside of the currently defined Mineral Resources at the Project.

In assigning its preferred values overall, SRK has selected the midpoint of the high and low values as the preferred value, as it has no preference to either end of the range.

Table 3-9: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/ basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified; initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	Significant grade intercepts evident but not linked on cross or long sections
2.5			Well-defined exploration model applied to new areas	
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	Several economic grade intercepts on adjacent sections
5.0	Along strike from a world-class deposit		Well-understood exploration model, with valid targets in well-understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World-class mine		

Source: Modified after Xstract, 2009, and Agricola Mining Consultants, 2011

Table 3-10: Geoscientific valuation scorecard – All Tenure (100% basis)

BAC = A\$800/km ² , Market Factor = 1.25				Off-property		On-property		Anomaly		Geology		Technical value		Valuation (A\$M)		
Tenement/ sub-block	Area (km ²)	Proportion of area to be valued	BAC (A\$/km ²)	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Preferred
P 57/1304	0.48	100%	384	2	3	1.5	2	1.5	2	3	3.5	0.01	0.02	0.01	0.02	0.01
P 53/1582	0.60	100%	480	2	3	1.5	2	1.5	2	3	3.5	0.01	0.02	0.01	0.03	0.02
P 53/1577	0.05	100%	40	2	3	1.5	2	1.5	2	3	3.5	0.00	0.00	0.00	0.00	0.00
E 57/1105	70.31	100%	56,248	2	2.5	1.5	2	1.5	2	1.5	2	0.38	1.12	0.47	1.41	0.94
E 51/1844	61.25	100%	49,000	2	2.5	1.5	2	1.5	2	1.5	2	0.33	0.98	0.41	1.23	0.82
E 57/1104	36.52	100%	29,216	2	2.5	1.5	2	1.5	2	2	2.5	0.26	0.73	0.33	0.91	0.62
E 57/1093	59.69	100%	47,752	2	2.5	1.5	2	1.5	2	1.5	2	0.32	0.96	0.40	1.19	0.80
E 53/1955	82.33	100%	65,864	2	2.5	1.5	2	1.5	2	1.5	2	0.44	1.32	0.56	1.65	1.10
E 51/1538	86.47	100%	69,176	2	2.5	1.5	2	2	2.5	3	3.5	1.25	3.03	1.56	3.78	2.67
E 57/1100	15.25	100%	12,200	2	2.5	1.5	2	1.5	2	1.5	2	0.08	0.24	0.10	0.31	0.20
E 53/1725	88.86	100%	71,088	2	2.5	1.5	2	1.5	2	1.5	2	0.48	1.42	0.60	1.78	1.19
M 51/458	6.20	100%	4,960	2	2.5	2.5	3	1.5	2	1.5	2	0.06	0.15	0.07	0.19	0.13
M 53/10	0.10	100%	80	2	2.5	2.5	3	1.5	2	1.5	2	0.00	0.00	0.00	0.00	0.00
M 53/988	5.12	100%	4,096	2	2.5	2.5	3	1.5	2	1.5	2	0.05	0.12	0.06	0.15	0.11
M 53/153	9.17	20%	7,336	2	2.5	2.5	3.5	1.5	2	1.5	2	0.08	0.26	0.10	0.32	0.21
M 51/105	1.17	100%	936	2	2.5	2.5	3	1.5	2	1.5	2	0.01	0.03	0.01	0.04	0.02
M 51/185	2.48	100%	1,984	2	2.5	2.5	3	1.5	2	1.5	2	0.02	0.06	0.03	0.07	0.05
M 53/904	0.08	100%	64	2	2.5	2.5	3	1.5	2	1.5	2	0.00	0.00	0.00	0.00	0.00
M 57/635	14.43	50%	11,544	2	2.5	2.5	3	1.5	2	1.5	2	0.13	0.35	0.16	0.43	0.30
M 53/716	2.54	100%	2,032	2	2.5	2.5	3	1.5	2	1.5	2	0.02	0.06	0.03	0.08	0.05
M 51/157	0.93	0%	744	2	2.5	2.5	3	1.5	2	1.5	2	0.01	0.02	0.01	0.03	0.02
M 53/11	0.10	100%	80	2	2.5	2.5	3	1.5	2	1.5	2	0.00	0.00	0.00	0.00	0.00

BAC = A\$800/km², Market Factor = 1.25				Off-property		On-property		Anomaly		Geology		Technical value		Valuation (A\$M)		
Tenement/ sub-block	Area (km²)	Proportion of area to be valued	BAC (A\$/km²)	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Preferred
M 57/634	48.10	80%	38,480	2	2.5	2.5	3.5	1.5	2	1.5	2	0.43	1.35	0.54	1.68	1.11
M 53/251	1.70	100%	1,360	2	2.5	2.5	3	1.5	2	1.5	2	0.02	0.04	0.02	0.05	0.04
M 51/290	0.05	100%	40	2	2.5	2.5	3	1.5	2	1.5	2	0.00	0.00	0.00	0.00	0.00
M 53/105	5.66	100%	4,528	2	2.5	2.5	3	1.5	2	1.5	2	0.05	0.14	0.06	0.17	0.12
M 51/186	3.65	100%	2,920	2	2.5	2.5	3	2	2.5	1.5	2	0.04	0.11	0.05	0.14	0.10
M 51/104	0.37	100%	296	2	2.5	2.5	3	1.5	2	1.5	2	0.00	0.01	0.00	0.01	0.01
M 51/410	3.54	20%	2,832	2	2.5	2.5	3	1.5	2	1.5	2	0.03	0.08	0.04	0.11	0.07
M 53/500	3.90	100%	3,120	2	2.5	2.5	3	1.5	2	1.5	2	0.04	0.09	0.04	0.12	0.08
													Total	5.7	15.9	10.8

3.3.3 Exploration Potential – Valuation summary

Overall, SRK has elected to adopt the values implied by the comparable sales method (in preference to those derived by the geoscientific rating method) as its preferred values for the exploration potential outside of the Mineral Resource areas at the Project given the current market sentiment and availability of comparable transactions information. On this basis, SRK estimates the value of a 100% interest in the exploration potential outside of the Mineral Resources to lie in the range between A\$5.6M and A\$12.7M, with a preferred estimate of A\$10.1M, which is positioned at the 50th percentile of the range given the current macro-economic environment (Table 3-11).

Table 3-11: Summary valuation –Exploration potential

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable market transactions	5.6	12.7	10.1
Geoscientific rating	5.7	15.9	10.8
Selected	5.6	12.7	10.1

4 Valuation Summary

Table 4-1 summarises SRK's market value assessment of the mineral assets of Horizon. SRK considers that on a 100% basis, the value of the Project lies in the range between A\$27.0 and A\$49.8M, with a preferred estimate of A\$35.0M, which is positioned at the 50th percentile of the range given the current macro-economic environment

Table 4-1: Valuation summary – Horizon Mineral Assets at 100% equity*

Mineral Assets	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Gum Creek Project Mineral Resources	17.5	32.3	24.9
Gum Creek Project Exploration Potential	5.6	12.7	10.1
Total	23.1	45.0	35.0

Any discrepancies between values in the table are due to rounding.

*Excludes the carrying book value of A\$4.3M for plant and equipment noted in the Horizon Annual Report (2019).

In assigning its valuation range and preferred value, SRK is mindful that the valuation range is also indicative of the uncertainty associated with mineral assets.

The range in value is driven by the confidence limits placed around the size and grade of mineralised occurrences assumed to occur within each project area. Typically, this means that as exploration progresses and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated or Measured Resource categories to Reserve status, there is greater confidence around the likely size and quality of the contained resource and its potential to be extracted profitably.

Table 4-2 presents a general guide of the confidence in targets, Resource and Reserve estimates, and hence value, referred to in the mining industry.

Table 4-2: General guide regarding confidence for target and Resource/ Reserve estimates

Classification	Estimate range (90% confidence limit)
Proven/ Probable Reserves	±5–10%
Measured Resources	±10–20%
Indicated Resources	±30–50%
Inferred Resources	±50–100%
Exploration Target	+100%

Estimated confidence levels of ±60 to 100% or more are not uncommon for exploration areas and are within acceptable bounds, given the level of techno-economic uncertainty associated with exploration assets. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

In defining its valuation range, SRK notes that there are always inherent risks involved when deriving any arm's length valuation. These factors can ultimately result in significant differences in valuations over time.

SRK notes that the values derived in the current valuation are materially higher than those outlined in its December 2019 ISR. SRK considers this to be reasonable given the significant increase in the gold price since that time. Further, the current market sentiment for gold and gold mineral assets is considered to be bullish.

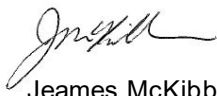
Compiled by



Karen Lloyd

Associate Principal Consultant

Peer reviewed by



Jeames McKibben

Principal Consultant

Appendices

Appendix A: Comparable Transactions

Table A-1: Comparable transactions with Mineral Resources

Project	Assets	Date	Vendor	Purchaser	Consideration (100% basis) (A\$M)	Equity acquired (%)	Resource (Mt)	Grade Au (g/t) (US\$M)	Total contained troy ounces (Au)	Raw resource transaction multiple (A\$/tr oz)	Normalised resource transaction multiple (A\$/tr oz)
Sandstone project	Sandstone	Mar-16	Undisclosed seller	Enterprise Uranium Limited	0.88	100%	14.52	1.52	0.71	1.24	2.06
Millrose project	Millrose	Feb-16	Riedel Resources Limited	Bowlane Nominees (WA) Ltd	0.95	100%	4.00	2.40	0.31	3.08	5.06
Twin Hills project	Twin Hills	Dec-15	Golden Deeps Limited	Melrose Resources Pty Ltd	0.05	100%	0.02	20.86	0.01	4.25	7.91
Albury Heath Project	Albury Heath Project	Dec-16	Undisclosed seller	Cervantes Corporation Ltd	0.01	100%	0.15	2.44	0.01	0.87	1.53
Polar Bear and Norcott projects, together with the Eundynie joint venture	Polar Bear	Feb-18	S2 Resources Limited	Westgold Resources Limited	9.10	100%	6.42	1.71	0.35	25.82	42.22
Mayday North and North Kanowna Star project	Mayday, North Kanowna Star	Sep-19	Strategic Projects Mining Pty Ltd	Bardoc Gold Limited	1.38	100%	2.13	1.64	0.11	12.32	15.35
Murrin Murrin project	Murrin Murrin	Jul-16	Zeta Resources Limited	GME Resources Limited	3.00	50%	0.55	3.12	0.05	54.67	85.05
Trojan project	Trojan	Dec-16	Westgold Resources Limited	Overland Resources Limited	0.95	100%	2.79	1.61	0.14	6.57	11.56
Sandstone project	Sandstone	May-16	Black Oak Minerals Limited	Middle Island Resources Limited	2.50	100%	10.78	1.39	0.48	5.20	8.34
Mt Holland	Mt Holland	Mar-16	Convergent Minerals Limited	Kidman Resources Limited	3.50	100%	15.33	1.65	0.81	4.30	7.13
Break of Day and Lena deposits	Moyagee	Jul-17	Silver Lake Resources Limited	Musgrave Minerals Limited	7.50	20%	3.55	3.09	0.35	21.29	37.08
Klondyke gold project	Klondyke	Sep-16	Arcadia Minerals Pty Ltd	Keras Resources Plc	2.52	100%	5.60	2.08	0.37	6.73	10.64
Birthday Gift mine and associated Mining Lease M 15/161	Burbanks	Nov-17	Kidman Resources Limited	Barra Resources Limited	0.12	100%	0.51	5.74	0.10	1.27	2.10

Project	Assets	Date	Vendor	Purchaser	Consideration (100% basis) (A\$M)	Equity acquired (%)	Resource (Mt)	Grade Au (g/t) (US\$M)	Total contained troy ounces (Au)	Raw resource transaction multiple (A\$/tr oz)	Normalised resource transaction multiple (A\$/tr oz)
MGK Resources Pty Ltd	Quinns & Mt Ida	Jul-16	MGK Resources Pty Ltd	Latitude Consolidated Ltd	0.64	100%	1.23	2.46	0.10	6.60	10.26
Lake Carey gold project	Lake Carey, Phantom Well, Wilga	Jul-16	Fortitude Gold Pty Ltd	Matsa Resources Limited	1.75	100%	6.29	1.90	0.38	4.56	7.09
Quinns & Mt Ida	Quinns & Mt Ida	Mar-16	Wild Acre Metals Limited	MGK Resources Pty Ltd	0.15	100%	1.23	2.46	0.10	1.55	2.56
Eureka Gold project	Eureka	Dec-17	Central Iron Ore Limited	Tyranna Resources Limited	3.05	100%	0.45	4.40	0.06	47.88	79.89
Tuckabianna assets	Murchison	Jun-17	Silver Lake Resources Limited	Big Bell Gold Operations Pty. Ltd	7.56	100%	7.97	2.03	0.52	14.54	24.08
King of the Hills gold mine	King of the Hills	Aug-17	Saracen Mineral Holdings Limited	Red 5 Limited	16.00	100%	2.71	4.63	0.40	39.68	67.65
Box Well and Deep South Mining Leases and 18 tenements	Deep South, Yundamindera	Apr-19	Hawthorn Resources Limited	Saracen Mineral Holdings Limited	13.50	100%	-	-	0.20	67.46	103.12
Gnaweeda project	Gnaweeda	Apr-16	Chalice Gold Mines Limited	Doray Minerals Limited	2.99	12%	4.60	1.80	0.27	11.24	19.15
Zelica project	Zelica	Nov-18	Anova Metals Limited	Matsa Resources Limited	0.15	100%	0.57	1.62	0.03	5.00	8.19
Plutonic Dome project	Plutonic Dome	May-16	Dampier Gold Limited	Vango Mining Limited	5.50	40%	8.28	3.20	0.85	6.47	10.38
Dalgaranga project	Dalgaranga	Dec-16	Private Investor – Jaime McDowell	Gascoyne Resources Limited	45.05	20%	25.50	1.36	1.12	40.31	70.82
Penny's Find tenements	Penny's Find	Mar-19	Empire Resources Limited	Orminex Limited	0.60	100%	0.25	7.05	0.06	10.68	16.06
Menzies and Goongarrie projects	Goongarrie, Goongarrie Lady, Menzies	Jul-19	Horizon Minerals Limited	Kingwest Resources Limited	8.00	100%	2.42	2.20	0.17	46.75	63.87
Comet gold project	Comet	Nov-15	Silver Lake Resources Limited	Metals X Limited	3.00	100%	3.80	2.89	0.35	8.50	15.43

Project	Assets	Date	Vendor	Purchaser	Consideration (100% basis) (A\$M)	Equity acquired (%)	Resource (Mt)	Grade Au (g/t) (US\$M)	Total contained troy ounces (Au)	Raw resource transaction multiple (A\$/tr oz)	Normalised resource transaction multiple (A\$/tr oz)
Trojan project	Trojan	Mar-18	Westgold Resources Limited	Aruma Resources Limited	0.18	100%	2.79	1.61	0.14	1.25	2.02
Red October project	Red October	Sep-17	Saracen Mineral Holdings Limited	Matsa Resources Limited	2.00	100%	0.45	6.92	0.10	20.14	33.77
Western Tanami project	Western Tanami	Oct-17	Tanami Gold NL	Northern Star (Tanami Gold) Pty Limited	4.00	100%	1.71	5.09	0.28	14.32	24.09
Coolgardie project	Coolgardie	Oct-19	Focus Minerals Limited	Horizon Minerals Limited	52.00	100%	27.31	2.42	2.12	24.47	30.70
K2 mine	Marymia	Jan-17	Vango Mining Limited	Dampier Gold Limited	6.00	50%	4.63	2.98	0.44	13.50	23.24
Higginsville Gold Operations	Higginsville	May-19	Westgold Resources Limited	RNC Minerals	50.00	100%	29.42	2.01	1.90	26.27	39.29
Plutonic gold mine	Plutonic	Aug-16	Northern Star Resources Limited	2525908 Ontario Inc.	66.20	100%	13.65	3.89	1.71	38.73	60.96
Halls Creek (Nicholson's) project	Halls Creek	May-16	Bulletin Resources Limited	Pantoro Limited	58.50	20%	1.07	6.52	0.22	261.37	419.66
Mining Lease M 24/943	Jackorite open pit	Jan-16	Private investor – Mr Denzle Norbert Schorer	Excelsior Gold Limited	2.40	5%	0.12	2.50	0.01	253.15	447.12
Darlot mine	Darlot	Aug-17	Gold Fields Limited	Red 5 Limited	18.50	100%	1.20	6.00	0.23	79.92	136.22
Gruyere project	Yamarna	Nov-16	Gold Road Resources Limited	Gold Fields Limited	700.00	50%	153.64	1.34	6.60	106.02	178.52
Package of gold tenements	Duketon, Duketon – Gold	Aug-19	Duketon Mining Limited	Regis Resources Limited	20.00	100%	1.90	1.50	0.09	218.27	272.15

Table A-2: Comparable transactions on an area basis

Project	Assets	Date	Vendor	Purchaser	Consideration (100% basis) (A\$M)	Equity acquired (%)	Area (km ²)	Raw area multiple (A\$/km ²)	Normalised area multiple (A\$/km ²)
Abbotts project	Abbotts	Oct-18	Doray Minerals Limited	Thundelarra Limited	0.18	100%	450.00	391.11	631.63
Goongarie project	Goongarie	Feb-16	Investor group	Intermin Resources Limited	0.04	100%	10.00	4,200.00	6,893.39
E 59/2237 and E 59/2249	-	Mar-19	Beau Resources Pty Limited	Blaze International Limited	0.13	100%	65.07	1,997.85	3,004.18
E 59/2310 and E 59/2309	-	Mar-19	Iron Clad Prospecting Pty Limited	Blaze International Limited	0.14	100%	132.25	1,058.60	1,591.83
Two Exploration Licences	-	Feb-18	Alloy Resources Limited	Riversgold Limited	0.21	70%	321.57	639.72	1,046.15
Sentinel Project	-	Feb-18	Crosspick Resources Pty Ltd	Fin Resources Limited	0.10	51%	44.00	2,228.16	3,643.78
Three tenements	-	Sep-18	Newmont Mining Corporation	Nexus Minerals Limited	0.01	100%	190.00	68.42	113.61
Paynes Find project	Paynes Find	Dec-16	European Lithium Limited	Cervantes Corporation Ltd	0.75	100%	7.00	107,142.86	188,233.30
Yuinmery project	-	Aug-19	Legend Resources Pty Ltd	Golden Mile Resources Limited	0.10	100%	66.00	1,439.39	1,794.72
Lake Rebecca project	-	Jul-19	Matsa Resources Limited	Bulletin Resources Limited	0.16	80%	172.00	908.43	1,241.16
Kirkalocka project	-	May-18	Bar None Exploration Pty Limited	Blaze International Limited	0.10	100%	33.14	3,017.50	4,812.40
Whiteheads project	Whiteheads	Aug-19	Zebina Minerals Proprietary Limited	Great Boulder Resources Limited	0.67	75%	185.00	3,603.60	4,493.18
E 37/1259 & E 37/1270	-	Nov-17	Undisclosed seller	NTM Gold Limited	0.12	100%	18.08	6,637.17	10,906.77
Fourteen licences	-	Nov-19	Chalice Gold Mines Limited	Golden Mile Resources Limited	0.20	100%	455.85	427.77	536.77
Bronzewing South project	Bronzewing South	Mar-19	Investor group	Hammer Metals Limited	0.55	100%	111.00	4,954.95	7,450.82
E 77/2313	-	Oct-18	Bar None Exploration Pty Ltd	Marindi Metals Limited	0.58	100%	14.48	39,709.94	64,130.62
Bulgera project	Bulgera	Jul-19	Accelerate Resources Limited	Norwest Minerals Limited	0.22	100%	36.80	5,978.26	8,167.93

Project	Assets	Date	Vendor	Purchaser	Consideration (100% basis) (A\$M)	Equity acquired (%)	Area (km ²)	Raw area multiple (A\$/km ²)	Normalised area multiple (A\$/km ²)
Hong Kong project	-	Oct-18	Sagon Resources Limited	Pacton Gold Inc.	2.64	70%	40.15	65,824.59	106,305.15
E 25/526	Slate Dam	Apr-18	Rare Earth Contracting Pty Limited	Aruma Resources Limited	0.06	100%	19.00	3,157.89	5,030.90
Two tenements	Warrawoona	Mar-18	Gardner Mining Pty Ltd	Keras (Pilbara) Gold Pty Limited	0.08	100%	44.72	1,721.82	2,789.74
Cutler gold prospect	-	Feb-18	Westex Resources Pty Ltd	Riversgold Limited	0.11	100%	14.70	7,687.07	12,570.90
South Big Bell project	-	Feb-18	Neon Space Pty Ltd	Fin Resources Limited	0.10	51%	49.67	1,973.81	3,227.82
South Yamarna Project	South Yamarna	Feb-18	Sumitomo Metal Mining Company Limited	Gold Road Resources Limited	14.00	50%	2,467.00	5,674.91	9,280.34
Credo Well project	Zuleika	Oct-19	Torian Resources Ltd	Dampier Gold Ltd	1.00	50%	17.00	58,823.53	73,811.82
Leonora Project	-	Apr-19	CoxsRocks Pty Ltd	Blaze International Limited	0.25	100%	23.65	10,570.82	16,158.61
Lake Lefroy tenements	Lefroy	Jun-18	Lefroy Exploration Limited	St. Ives Gold Mining Company Pty Ltd	19.61	51%	372.00	52,709.26	85,133.16
Cue Project	Cue Goldfield	Sep-17	Western Mining Pty Ltd	Cue Consolidated Mining Pty Ltd	0.72	100%	462.00	1,558.44	2,611.96
Bardoc project	Bardoc	May-19	Torian Resources Limited	Bardoc Gold Limited	0.15	100%	49.00	3,061.22	4,578.15
Bulong project	Bulong	Jan-18	Bulong Mining Pty Ltd	Black Cat Syndicate Limited	0.75	100%	81.80	9,168.70	15,098.05
Zuleika project	Zuleika	Oct-19	Torian Resources Ltd	Dampier Gold Ltd	3.33	30%	222.00	15,015.02	18,840.86
Cue Project JV	Lake Austin/ Cue JV	Sep-19	Musgrave Minerals Limited	Evolution Mining Limited	26.00	75%	139.70	186,113.10	231,859.43
Kalgoorlie– Menzies projects	Baden Powell, Bullabulling, Goongarrie Lady, Windanya	Mar-16	Metaliko Resources Limited	Intermin Resources Limited	0.38	100%	141.00	2,659.57	4,409.31
Mt Lucky project	Mon Ami	Jan-18	Valleybrook Investments Pty Ltd	Forte Consolidated Limited	0.85	100%	0.58	1455479.452	2,396,729.14
M 29/410 tenement	Menzies	Jan-17	Undisclosed seller	Intermin Resources Limited	0.17	30%	10.65	15,644.31	26,933.46

Project	Assets	Date	Vendor	Purchaser	Consideration (100% basis) (A\$M)	Equity acquired (%)	Area (km ²)	Raw area multiple (A\$/km ²)	Normalised area multiple (A\$/km ²)
Klondyke gold project	Haoma	Sep-16	Arcadia Minerals Pty Ltd	Keras Resources Plc	1.25	100%	6.50	192,307.69	304,051.20
Mulwarrie project	Mulwarrie	May-18	Goldfield Argonaut Pty Ltd	Spitfire Materials Limited	2.24	49%	1.80	1,249,456.20	1,992,670.03
Currans Find and Pinchers Mining Leases	Youanmi	Apr-19	Murchison Earthmoving & Rehabilitation Pty Ltd	Investor group	0.34	90%	3.56	96,754.06	147,898.67
Exploration Licences	Murchison	Jul-17	Zelda Therapeutics Pty Ltd	Enterprise Metals Limited	0.11	100%	87.00	1,252.87	2,181.76
Thundelarra project	-	Dec-17	Investor group	Blaze International Limited	0.02	100%	47.00	319.15	532.52
EL 45/4807	-	Jun-18	Alloy Resources Limited	Rio Tinto Exploration Proprietary Limited	0.77	70%	424.02	1,819.32	2,938.47
Doolgunna project	-	Mar-16	TasEx Geological Services Pty Ltd	DGO Gold Limited	0.20	51%	68.00	2,883.51	4,780.57

SRK Report Client Distribution Record

Project Number: PAN013

Report Title: Independent Specialist Report on the Mineral Assets of Horizon Gold Limited

Date Issued: 30 April 2020

Name	Company
Victor Rajasooriar	Panoramic Resources Limited
Sherif Andrawes	BDO Corporate Finance (WA) Pty Ltd

Rev No.	Date	Revised By	Revision Details
0	22/04/2020	Karen Lloyd	Draft Report to BDO
1	22/04/2020	Karen Lloyd	Redacted Draft Report to Panoramic (factual accuracy check)
2	30/04/2020	Karen Lloyd	Final Report

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Appendix 4 - Option Valuation

We understand the terms of the Panoramic Options to be issued are as follows:

Item	Resolution 2	Resolution 3
Number of Panoramic Options	28,520,525	50,000,000
Exercise price	\$0.16	\$0.16
Valuation date	27 March 2020	27 March 2020
Expiry date	27 March 2023	27 March 2023
Life of the (years)	3.00	3.00
Exercise Conditions	None	None

Source: Loan Agreement between Zeta and Panoramic

Set out below are the key inputs and the valuation of the Panoramic Options:

Item	Resolution 2	Resolution 3
Underlying Security spot price	\$0.115	\$0.115
Exercise price	\$0.160	\$0.160
Valuation date	27 March 2020	27 March 2020
Life of the Options	3 years	3 years
Volatility	80%	80%
Risk free rate	0.275%	0.275%
Number of Options	28,520,525	50,000,000
Valuation per Option	\$0.050	\$0.050
Valuation per Tranche	\$1,426,026	\$2,500,000



Options without market based vesting conditions can be exercised at any time following vesting up to expiry date, and as such are more suitably valued using a Black Scholes option pricing model. Option pricing models assume that the exercise of an option does not affect the value of the underlying asset.

In valuing the Options, we made the following assumptions regarding the inputs required for our option pricing model:

Valuation Date

We have prepared our valuation using inputs as at 27 March 2020, being the last trading day prior to the announcement of the Transaction, which we have adopted as our valuation date.

Current Price of the Underlying Shares

The market share price of Panoramic of \$0.115 as at the valuation date of 27 March 2020, is the value of the Company's shares that we have adopted for our valuation.

Exercise Price of the Options

The exercise price is the price at which the underlying ordinary shares will be issued. For the Panoramic Options, the exercise price is \$0.160.

Life of the Options

For the purpose of valuing the Options we have estimated an exercise date as the expiry date giving effective lives for the Panoramic Options of 3 years, which we have input into the Black Scholes option pricing model.

Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods we use below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen;
 - The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future; and
 - The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.
-



The recent volatility of the share price of Panoramic was calculated for 1, 2 and 3 year periods, using data extracted from Bloomberg. For the purpose of our valuation, we used a future estimated volatility level of 80% for Panoramic in our pricing model.

Risk-Free Rate of Interest

We have used the Australian Government 3-year bond rate of 0.275% as at the Valuation Date as an input to our option pricing model.

Appendix 5 - Discount Rate Assessment

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the project, whilst CAPM provides the required return on an equity investment.

Cost of Equity

Input	Value Adopted	
	Low	High
Risk free rate of return	0.26%	0.26%
Equity market risk premium	6.00%	8.00%
Inherent risk adjustment (alpha)	2.00%	2.00%
Ungearred beta	1.05	1.20
Regearred beta	1.32	1.51
Cost of Equity	10.18%	14.33%

Source: BDO analysis

Beta

The ungeared beta has been derived based on an analysis of comparable ASX listed mining companies. We have weighted our assessment of a comparable company beta toward nickel mining companies. We have regearred the ungeared betas based on the assumed funding structure of Panoramic that is set out below.

Inherent risk adjustment (alpha)

We have used an inherent risk adjustment factor to reflect the fact Panoramic has suspended its operations at the Savannah Project. Additionally, we have considered the smaller size of Panoramic and its lack of diversification compared to the comparable companies identified and determined that an inherent risk adjustment of 2% is appropriate.

Cost of Debt

We have assessed the relevant cost of debt for Panoramic based the cost of debt currently observed in the market for comparable companies at similar stages of development. Based on our analysis we consider an appropriate cost of debt to be between 8.0% and 10.0% per annum.



Calculation of WACC

Input	Value Adopted	
	Low	High
Cost of Equity	10.2%	14.3%
Cost of Debt	8.0%	10.0%
Proportion of Equity to Total Capital (E/(E+D))	73.1%	73.1%
Proportion of Debt to Total Capital (D/(E+D))	26.9%	26.9%
Post-tax WACC	9.0%	12.4%


Source: BDO analysis


We consider the post-tax WACC to be in range of 9.0% to 12.4%, with a rounded midpoint value of 10.5% used as our preferred discount rate.



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

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (WST) Saturday, 27 June 2020.**

Proxy Form

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.

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Panoramic Resources Limited to be held on Monday, 29 June 2020 at 11:00am (WST) and at any adjournment or postponement of that meeting.

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
1 Proposed sale of Horizon Gold Limited Shares to Zeta Resources Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Proposed issue of 28,520,525 Panoramic Resources Limited options to Zeta Resources Limited or its nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Proposed issue of 50,000,000 Panoramic Resources Limited options to Zeta Resources Limited or its nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of potential termination benefits to Mr Victor Rajasooriar	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

