

11 March 2019

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PLACEMENT AND UNDERWRITTEN RIGHTS ISSUE

Key Details

- Firm commitments received for an initial placement to raise \$5 million (before costs)
- Fully underwritten 1 for 13 pro-rata renounceable Entitlement Offer to raise approximately \$14.8 million (before costs)
- Offer price of \$0.38 per New Share represents a 17.4% discount to last closing share price of \$0.46.

Panoramic Resources Limited (**ASX: PAN, Panoramic or Company**) is pleased to announce that it has received firm commitments for a placement (**Initial Placement**) to eligible institutional and sophisticated investors of 13.16 million fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.38 to raise approximately \$5 million (before costs).

The Company is also offering eligible shareholders the opportunity to acquire New Shares through a fully underwritten pro-rata renounceable entitlement issue of one (1) Share for every thirteen (13) Shares (**Entitlement Offer**) held by eligible shareholders on the Record Date, which under the indicative timetable is Thursday, 21 March 2019, at an issue price of \$0.38 per New Share to raise approximately \$14.84 million (before costs). Participants in the Initial Placement will be eligible to participate in the Entitlement Offer.

The Company's major shareholder, Zeta Resources Limited (**Zeta**), has provided a partial commitment to the Company to follow its Rights under the Entitlement Offer and provide general sub-underwriting in total amounting to \$4.6 million.

A second tranche placement (**Conditional Placement**) to Zeta of up to 6.84 million New Shares at an issue price of \$0.38 to raise up to approximately \$2.6 million will be made subject to shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes at a General Meeting to be held as soon as reasonably practicable after completion of the Entitlement Offer. The Conditional Placement may be scaled back to ensure that Zeta's voting power in the Company does not exceed 33.15% (which is within Zeta's "creep" capacity under the Corporations Act 2001). Zeta and its associates will not be entitled to vote on the Conditional Placement.

The Initial Placement, Entitlement Offer and Conditional Placement are together referred to as the **Capital Raising**.

The Capital Raising price of \$0.38 per New Share represents:

- a discount of 17.4% to the closing price of \$0.46 on 5 March 2019;
- a discount of 17.3% to the VWAP for the 10 trading days up to and including 5 March 2019; and
- a discount of 16% to the theoretical ex-rights price (**TERP**).

Directors

BRIAN PHILLIPS

Non-Executive Chairman

PETER HAROLD

Managing Director

JOHN ROWE

Non-Executive Director

PETER SULLIVAN

Non-Executive Director

NICHOLAS CERNOTTA

Non-Executive Director

REBECCA HAYWARD

Non-Executive Director

TREVOR ETON

CFO / Company Secretary

The Initial Placement was conducted within the Company's 15% placement capacity under ASX Listing Rule 7.1 and is expected to settle on 18 March 2019. Shareholder approval is not required for the issue of New Shares under the Initial Placement.

Capital Raising Rationale

To provide balance sheet flexibility and allow the Company to meet liquidity requirements under the recently amended Savannah Facility Agreement (**SFA**) with Macquarie Bank Limited (refer to the Company's ASX Announcement of 6 March 2019), the Company requires additional funds which are best sourced through a capital raising. The Entitlement Offer will provide all Eligible Shareholders with the opportunity to participate and retain exposure to the Company's 100% owned Savannah Project as well as its portfolio of PGM assets and other listed investments.

Use of Funds

The proceeds of the Capital Raising will be used to provide working capital for the following*:

- To ramp up production from the Savannah orebody and expedite the development drive to the higher-grade Savannah North orebody;
- To satisfy minimum liquidity requirements under the SFA;
- To replenish funds utilised to undertake a short-term nickel put option price protection program; and
- General corporate and capital raising costs

**The Company reserves the right to change its intentions in relation to the use of funds*

Eligible Shareholders and Sale of Rights

Entitlements (**Entitlements** or **Rights**) may only be exercised by Eligible Shareholders being persons with a registered address on the Company's Share Register in Australia, New Zealand, Bermuda, Germany, Norway, Hong Kong, Luxembourg, Switzerland, Singapore or the United Kingdom and the United States (to Approved US Shareholders only). Ineligible shareholders are all those shareholders with registered addresses outside these jurisdictions.

Entitlements may be sold on ASX from Wednesday 20 March 2019 to Tuesday, 2 April 2019. It is the responsibility of purchasers of Rights to inform themselves of the eligibility criteria for the exercise of Rights. If holders of Rights after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Rights.

The Company's appointed nominee, Hartleys Limited (**Hartleys**), will sell the Rights of Ineligible Shareholders, with the net proceeds, if any, distributed to the Ineligible Shareholders.

Top Up Facility

As part of the Entitlement Offer, Eligible Shareholders, other than Zeta, may also apply for additional New Shares in excess of their Entitlement Offer entitlements at the same issue price of \$0.38 per New Share (**Top Up Facility**). The Top Up Facility provides an opportunity for Eligible Shareholders, other than Zeta, to apply for additional New Shares to top up their holdings (**Top Up Shares**). Under the Top Up Facility there is a cap such that the maximum number of New Shares that will potentially be available to each Eligible Shareholder is 50% more than their Offer entitlements. There is no guarantee regarding the number of New Shares (if any) that will be available to Eligible Shareholders under the Top Up Facility, in addition to their Entitlements under the Entitlement Offer. This will depend on how many Entitlement Offer entitlements are taken up. If all Entitlement Offer entitlements are taken up under the Entitlement Offer then there will be no Top Up Shares available. In the event that demand for New Shares under the Top Up Facility exceeds the number of New Shares that are available then there will be a scale back on a pro rata basis.

Underwriting

The Entitlement Offer is fully underwritten by Hartleys on the terms and conditions of an Underwriting Agreement with the Company.

Indicative Timetable

The table below outlines the key dates for the Initial Placement and Entitlement Offer

	Event	Date**
Initial Placement and Entitlement Offer dates and timeline	<ul style="list-style-type: none"> ▪ Announcement of the Offer ▪ Offer Booklet, Investor Presentation, Appendix 3B and Cleansing Statement lodged with the ASX 	11 March 2019
	<ul style="list-style-type: none"> ▪ Security holders sent Appendix 3B information 	12 March 2019
	<ul style="list-style-type: none"> ▪ Settlement of Initial Placement 	18 March 2019
	<ul style="list-style-type: none"> ▪ Issue and quotation of New Shares under the Initial Placement 	19 March 2019
	<ul style="list-style-type: none"> ▪ Shares quoted on an "Ex" basis (rights trading commences) 	20 March 2019
	<ul style="list-style-type: none"> ▪ Record Date 	21 March 2019
	<ul style="list-style-type: none"> ▪ Offer Booklet, Investor Presentation and acceptance forms despatched or emailed to Eligible Shareholders 	26 March 2019
	<ul style="list-style-type: none"> ▪ Rights trading ends 	2 April 2019
	<ul style="list-style-type: none"> ▪ Last day to extend offer closing date 	4 April 2019
	<ul style="list-style-type: none"> ▪ Closing date (5.00pm Perth and WST) 	9 April 2019
	<ul style="list-style-type: none"> ▪ Initial notification to ASX of Offer Shortfall 	12 April 2019
	<ul style="list-style-type: none"> ▪ Issue of New Shares under the Entitlement Offer 	17 April 2019
	<ul style="list-style-type: none"> ▪ Quotation of New Shares under the Entitlement Offer 	18 April 2019

Notes to Table

Western Standard Time (WST). The Entitlement Offer Timetable is subject to variation. The Company reserves the right to alter the timetable at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act and other applicable law. In particular, Panoramic in conjunction with the Underwriter reserves the right to either generally or in particular cases extend the closing date of the Entitlement Offer, to accept late or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

An Appendix 3B for the Shares to be issued pursuant to the Entitlement Offer, Offer Booklet, Investor Presentation and Cleansing Statement follows this announcement.

For those shareholders who have elected to receive documents from the Company via email, they will receive the Entitlement Offer documents and their personal entitlement and acceptance form directly to their nominated email address. As a consequence, these shareholders will not be sent a hard copy of the documents by mail.

Hartleys acted as lead manager to the Initial Placement and Underwriter to the Entitlement Offer and Gilbert + Tobin and Geoff Rogers provided Australian legal advice.



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About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and produced 19,301t contained nickel in FY2015. The Lanfranchi and Savannah Projects were placed on care and maintenance in November 2015 and May 2016 respectively pending a sustained recovery in the nickel price.

After delivering an updated feasibility study on the Savannah Project in October 2017, securing an offtake customer and putting in place project financing in July 2018, the Company made the decision to restart operations at Savannah with first concentrate shipped from Wyndham on 13 February 2019. The Lanfranchi Project was sold in December 2018 for a total cash consideration of \$15.1 million.

Apart from the nickel, copper and cobalt inventory at Savannah the Company has a diversified resource base including platinum group metals (**PGM**) and gold. The PGM Division consists of the Panton Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada, in which Rio Tinto is earning 70% by spending up to C\$20 million over five years. Following the ASX listing of Horizon Gold Limited (**ASX Code: HRN**) in December 2016, the Company's interest in gold consists of an indirect investment in the Gum Creek Gold Project located near Wiluna through its 51% majority shareholding in Horizon.

At 31 December 2018, Panoramic had ~\$19 million in available and restricted cash. As at 28 February 2019, the Company has fully drawn against the \$40 million project financing facility with Macquarie Bank.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining company in the S&P/ASX 100 Index. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record

Summary Information

The following disclaimer applies to this announcement and any information contained in it (the **Information**). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Panoramic's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Panoramic's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Panoramic, which could cause actual results to differ materially from such statements. Panoramic makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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