

5 September 2019

UNDERWRITTEN PRO-RATA RIGHTS ISSUE

Key Details

- Fully underwritten 2 for 11 pro-rata renounceable entitlement offer to raise approximately \$28.2 million (before costs)
- Offer price of \$0.28 per New Share represents a 17.6% discount to last closing share price of \$0.34

Panoramic Resources Limited (**ASX: PAN**, **Panoramic** or **Company**) is offering eligible shareholders the opportunity to acquire New Shares through a fully underwritten pro-rata renounceable entitlement issue of two (2) Shares for every eleven (11) Shares (**Entitlement Offer**) held by eligible shareholders on the Record Date, which under the indicative timetable is Tuesday, 10 September 2019, at an issue price of \$0.28 per New Share to raise approximately \$28.2 million (before costs).

The Company's major shareholder, Zeta Resources Limited, has committed to take up the whole of their pro rata entitlement under the Entitlement Offer totalling 33,232,546 Shares with a value of approximately \$9.3 million and provided general sub-underwriting for a further 10,000,000 Shares with a value of \$2.8 million.

The Capital Raising price of \$0.28 per New Share represents:

- a discount of 17.6% to the closing price of \$0.34 on 2 September 2019;
- a discount of 18.6% to the VWAP for the 10 trading days up to and including 2 September 2019; and
- a discount of 14.1% to the theoretical ex-rights price (**TERP**).

Capital Raising Rationale

To reduce the amount owing under the recently amended Savannah Facility Agreement (**SFA**) with Macquarie Bank Limited (*refer to the Company's ASX Announcement of 3 September 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 Nickel Project as well as its portfolio of PGM assets, 51% shareholding in Horizon Gold Limited and other listed investments.

Use of Funds

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

- \$20 million (50% of the drawn facility) repayment under the Macquarie SFA;
- supplement the revenue shortfall from lower than expected production from the remnant Savannah orebody;
- provide contingency for unexpected production delays;
- satisfy internal liquidity requirements; and
- meet general corporate and capital raising costs.

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

Directors

BRIAN PHILLIPS

Non-Executive Chairman

PETER HAROLD

Managing Director

PETER SULLIVAN

Non-Executive Director

NICHOLAS CERNOTTA

Non-Executive Director

REBECCA HAYWARD

Non-Executive Director

TREVOR ETON

CFO / Company Secretary

Underwriting

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (**Morgans**) on the terms and conditions of an Underwriting Agreement with the Company.

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. Ineligible shareholders are all those shareholders with registered addresses outside these jurisdictions.

Entitlements may be sold on ASX from Monday, 9 September 2019 to Monday, 16 September 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, Berne No 132 Nominees Pty Ltd, a wholly owned subsidiary of Morgans, will sell the Rights of Ineligible Shareholders, with the net proceeds, if any, distributed to the Ineligible Shareholders.

Indicative Timetable

The table below outlines the key dates for the Entitlement Offer

	Event	Date**
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 	5 September 2019
	<ul style="list-style-type: none"> Security holders sent Appendix 3B information 	6 September 2019
	<ul style="list-style-type: none"> Shares quoted on an "Ex" basis (rights trading commences) 	9 September 2019
	<ul style="list-style-type: none"> Record Date (7.00pm Perth and WST) 	10 September 2019
	<ul style="list-style-type: none"> Offer Booklet, Investor Presentation and acceptance forms despatched or emailed to Eligible Shareholders 	12 September 2019
	<ul style="list-style-type: none"> Rights trading ends 	16 September 2019
	<ul style="list-style-type: none"> Last day to extend offer closing date 	18 September 2019
	<ul style="list-style-type: none"> Closing date (5.00pm Perth and WST) 	23 September 2019
	<ul style="list-style-type: none"> Notification to ASX of Offer Shortfall 	25 September 2019
	<ul style="list-style-type: none"> Issue of New Shares under the Entitlement Offer 	30 September 2019
	<ul style="list-style-type: none"> Quotation of New Shares under the Entitlement Offer 	1 October 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.

Gilbert + Tobin and Geoff Rogers provided Australian legal advice.

For further information, please contact:

Peter Harold
Managing Director
Tel: +61 8 6266 8600

Trevor Eton
CFO and Company Secretary
Tel: +61 8 6266 8600

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTED IN THE UNITED STATES

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, providing additional financial support for the re-commissioning of the Savannah Project.

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, which is in the process of being sold to Benton Resources for C\$9 million. Following the ASX listing of Horizon Gold Limited (ASX Code: HRN) in December 2016, the Company's interest in gold is an indirect investment in the Gum Creek Gold Project located near Wiluna through its 51% shareholding in Horizon.

At 30 June 2019, Panoramic had \$26.6 million in available and restricted cash. The Company has fully drawn down against the \$40 million project financing facility with Macquarie Bank.