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ASX ANNOUNCEMENT

3 April 2020

Loan Agreement with Zeta Resources

Panoramic Resources Limited (ASX: PAN) (**Panoramic** or **the Company**) advises that major shareholder Zeta Resources Limited (ASX:ZER) (**Zeta**) has agreed to provide an unsecured loan of \$8.0 million for activities at the Savannah Project and for working capital purposes (**Zeta Loan Facility**).

The key terms of the Zeta Loan Facility 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.
- Approximately \$3.4 million of the loan principal shall be off-set by the transfer of approximately 17.2 million Horizon Gold shares agreed to be sold by Panoramic to Zeta, as announced on 30 March 2020 (**Horizon Share Sale**), if the Horizon Share Sale is approved by Panoramic shareholders.
- Panoramic to issue options (**Options**) to Zeta or its nominee, subject to Panoramic shareholder approval and Zeta or its nominee (as applicable) obtaining FIRB approval, as follows:
 - If the Horizon Share Sale is approved by Panoramic shareholders: 28,520,525 Options
 - If the Horizon Share Sale is not approved by Panoramic shareholders (such that the Horizon shares are retained by Panoramic): 50,000,000 Options
 - Option expiry: 3 years from date of issue
 - Option strike price: \$0.16 per Panoramic share
- Unless otherwise agreed, Panoramic will seek shareholder approval for the Horizon Share Sale and issue of Options between 1 June and 1 August 2020.
- If Panoramic shareholder approval for the issue of the Options is not obtained, then Panoramic must make the following “make-whole” payments to Zeta when the loan is repaid in full:

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

- Amounts outstanding (together with any interest accrued and “make-whole” payments) under the Zeta Loan Facility 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).

Panoramic advises that Macquarie has provided consent, under the Company's existing Senior Secured Debt Facility with Macquarie, in connection with the Zeta Loan Facility (**Senior Lender Consent**). The Senior Lender Consent contains customary terms, including restrictions on repayment of the Zeta Loan Facility ahead of Macquarie.

Managing Director and CEO, Mr Victor Rajasooriar said, "We are pleased to have the continuing support of our major shareholder, Zeta Resources, with the funding to be used to support activities at the Savannah Project and short-term working capital requirements, whilst we continue to pursue longer-term funding initiatives. The funds will also assist in navigating the dynamic environment associated with the COVID-19 pandemic on the Company's operations."

This ASX release was authorised by the Board of Panoramic.

For further information contact:

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