

ABN: 47 095 792 288

Level 9, 553 Hay St  
Perth, WA 6000

T: +61 8 6374 1700

E: info@panres.com



*Not for release to US wire services or distribution in the United States*

ASX ANNOUNCEMENT

26 July 2023

## Fully Underwritten A\$40 million Placement, Non-Underwritten SPP & Trafigura Amendments

### HIGHLIGHTS

- Fully underwritten two-tranche Placement to raise A\$40 million and non-underwritten “share purchase plan” targeting to raise up to an additional A\$5 million with the ability to accept oversubscriptions (all before costs).
- New Shares to be issued at A\$0.05 per share, which represents a 45.7% discount to the last closing price of A\$0.092 on Monday, 24 July 2023 and a 48.2% discount to the 5-day volume weighted average price of A\$0.097.
- Offer of one (1) free option for every two (2) New Shares issued under the Equity Raising, subject to shareholder approval and to be made under a prospectus.
- Proceeds to strengthen the Company's balance sheet, removing the short-term working capital pressure caused by a one-off weather event and the delay of revenue resulting from the filter press head plate failure (since replaced and fully operational), and provide a platform for growth.
- Amendments to Trafigura Debt Facility and offtake arrangements, including deferral of the US\$15 million Revolving Credit Facility maturity date by 12 months to 31 December 2024, to provide further financial flexibility.
- FY24 guidance forecasts an increase in production compared to FY23 outcomes, representing:
  - Nickel production +26% – 41%;
  - Copper production +36% – 52%; and
  - Cobalt production +9% – 36%
- Significant increase in production also expected to be accompanied by a year-on-year reduction in C1 costs per pound of nickel in FY24.

Panoramic Resources Limited (ASX: PAN) (“**Panoramic**” or the “**Company**”) is pleased to announce the launch of a two-tranche placement of new fully-paid ordinary shares (“**New Shares**”) to raise A\$40 million

For personal use only

(before costs) (“**Placement**”). Panoramic also intends to undertake a non-underwritten “share purchase plan” to eligible existing shareholders in Australia and New Zealand, offering up to a maximum of A\$30,000 per shareholder, targeting to raise an additional A\$5 million (before costs) with the ability to accept oversubscriptions (“**SPP**”) (together the Placement and SPP are the “**Equity Raising**”).

Proceeds from the Equity Raising will be used to strengthen the Company's balance sheet, removing the short-term working capital pressure caused by the delay of revenue resulting from the filter press head plate failure and disruptions caused by a one-off, severe weather event. The broken filter press head plate was replaced and has been fully operational since 9 July 2023. The Equity Raising ensures that the Company is sufficiently capitalised to support ramp up of the Savannah Nickel Project (“**Savannah**”) to steady state operations and provides a robust platform for future growth.

Additionally, Panoramic has secured an extension of the maturity date for the US\$15 million Revolving Credit Facility (“**RCF**”) with Trafigura Pte Ltd (“**Trafigura**”) and granted an option to Trafigura to extend its concentrate offtake agreement by two years to February 2030 on the current terms, providing the Company with further financial flexibility as Savannah ramps up.

Further details on the Trafigura RCF and offtake amendments, including the 1% interest rate increase, potential sweep of excess cash and conditions precedent, can be found in the ASX announcement “Revolving Credit Facility Term Extension and Offtake Option” and Equity Raising Presentation lodged with the ASX following this announcement.

Panoramic Managing Director and CEO, Victor Rajasooriar, commented:

*“The short-term pressure put on our balance sheet after recent operational setbacks has triggered the need for new funding and the restructure of our debt facility with Trafigura. By taking these steps we will have the balance sheet strength to support our operations and provide a platform for future growth. We thank shareholders and Trafigura for their continued support of the ramp-up of Savannah to sustainable steady-state production during FY24.”*

### **Placement Details**

The Placement comprises the issue of approximately 800.0 million New Shares at a fixed offer price of A\$0.05 (“**Offer Price**”) to raise total proceeds of A\$40 million (before costs). The Placement is fully underwritten and will take place in two tranches:

- Tranche 1 to raise approximately A\$15.4 million via the issue of approximately 307.6 million New Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 (“**Tranche 1**”); and
- Tranche 2 to raise approximately A\$24.6 million via the issue of approximately 492.4 million New Shares, subject to shareholder approval to be sought at a General Meeting of the Company expected to be held in early September 2023 (“**EGM**”) (“**Tranche 2**”).

The Offer Price of A\$0.05 per New Share represents a:

- 45.7% to last closing price of A\$0.092 on 24 July 2023; and
- 48.2% to the 5-day volume weighted average price of A\$0.097 as at 24 July 2023.

Panoramic will offer one (1) free option for every two (2) New Shares issued under the Placement (“**Options**”). Each Option will have an exercise price of A\$0.075 and an expiry date 2 years from the date

of issue. The Options will be issued subject to shareholder approval, which is to be sought at the upcoming EGM. The Options will be offered under a prospectus and will not be quoted.

Further details of the Placement, including the Underwriting Agreement terms and conditions, can be found in the Equity Raising Presentation lodged with the ASX following this announcement.

Details of the time and venue for the General Meeting will be provided in a notice of meeting, expected to be despatched to shareholders on or about 3 August 2023.

Canaccord Genuity (Australia) Limited and Morgans Corporate Limited are acting as Joint Lead Managers, Bookrunners and Underwriters to the Placement. Foster Stockbroking Pty Limited acted as Co-Manager to the Placement.

Azure Capital Pty Ltd acted as financial adviser and Gilbert + Tobin acted as legal adviser to the Company.

### **SPP**

In addition to the Placement, Panoramic intends to undertake a SPP to targeting to raise an additional A\$5 million (before costs) with the ability to accept oversubscriptions.

The SPP will enable eligible Panoramic shareholders as at the record date of 7:00pm (AEST) on Tuesday, 25 July 2023 with a registered address in Australia or New Zealand and not in the United States or acting for the account or benefit of a person in the United States or any other person outside Australia and New Zealand (“**Eligible Shareholders**”) to have the opportunity to apply for up to A\$30,000 worth of New Shares (subject to any scale back). The SPP will be conducted at the same price as the Placement, being the Offer Price of A\$0.05 per New Share and will include a one (1) for two (2) free Option on the same terms as the Placement.

The SPP and the issue of the Options will be subject to shareholder approval, which is to be sought at the upcoming EGM.

The SPP is not underwritten and there is no guarantee the company will raise the targeted amount. If valid applications are received for more than the targeted A\$5 million under the SPP, the Company may accept oversubscriptions up to a maximum amount (in excess of A\$8 million will require the Underwriters’ consent) or undertake a scale back of applications to the extent and in the manner it sees fit.

New Shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares currently on issue.

The terms and conditions of the SPP will be detailed in a prospectus to be dispatched to Eligible Shareholders and released to the ASX, presently scheduled for 3 August 2023.

Details of the time and venue for the EGM will be provided in a notice of meeting, expected to be despatched to shareholders on or about 3 August 2023.

## Indicative Key Dates

| Event   | Time (AEST) / Date           |
|---|------------------------------|
| SPP Record Date   | 7:00pm Tuesday, 25 July 2023 |
| Trading halt, announcement of Equity Raising and launch of Placement bookbuild                | Wednesday, 26 July 2023      |
| Announce completion of Placement bookbuild, trading halt lifted and recommencement of trading | Thursday, 27 July 2023       |
| Settlement of Tranche 1   | Tuesday, 1 August 2023       |
| Tranche 1 New Shares allotted and commence normal trading                                     | Wednesday, 2 August 2023     |
| SPP open date   | Thursday, 3 August 2023      |
| EGM to approve Tranche 2, SPP and Options   | Monday, 4 September 2023     |
| SPP close date  | Tuesday, 5 September 2023    |
| Settlement of Tranche 2   | Thursday, 7 September 2023   |
| Tranche 2 and SPP New Shares and Options allotted   | Friday, 8 September 2023     |
| Tranche 2 and SPP New Shares commence normal trading  | Friday, 8 September 2023     |

Note: this timetable is indicative and may be subject to change. Panoramic reserves the right to amend any or all of these events, dates and times in its absolute discretion, subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. Any extension to the closing date for the SPP will have a consequential effect on the anticipated date for issue of New Shares and Options under the SPP.

## FY24 Outlook

Panoramic today released its FY24 guidance, which reflects a significant improvement on FY23 outcomes. FY24 guidance forecasts an increase in production within the following ranges for nickel of 26% – 41%, for copper of 36% – 52% and for cobalt of 9% – 36% compared to FY23 outcomes. This is founded on an expected significant increase in productivity from the underground mine driven by a range of factors including the opening of new mining levels in Savannah North, first production from the Savannah extension, the sourcing of additional equipment spares at site and greater equipment/manning availability. Further, the Company expects to see a year-on-year reduction in C1 costs per pound of nickel. See the table below for the Company's FY24 guidance.

### FY24 Guidance

| Metric                                       | FY24 Guidance                          |
|--|--|
| Nickel in concentrate production             | <b>6,800 – 7,600t</b>                  |
| Copper in concentrate production             | <b>4,250 – 4,750t</b>                  |
| Cobalt in concentrate production             | <b>400 – 500t</b>                      |
| C1 <sup>1</sup> cost per pound of payable Ni | <b>A\$10.05 – 11.25/lb<sup>2</sup></b> |
| Sustaining Capital & Mine Development        | <b>A\$22 – 26M</b>                     |
| Growth Expenditure                           | <b>A\$10 – 12M</b>                     |

<sup>1</sup> C1 costs includes operating cash costs that are directly incurred in producing concentrate and includes grade control drilling, road haulage, port, shipping, royalties and by-product credits net of treatment charges.

<sup>2</sup> By-product based on exchange rate of AUD:USD 0.70 and commodity prices of US\$8,000/t Cu and US\$40,000/t Co.

Further details on the Company's FY24 guidance can be found in the Quarterly Activities Report and Equity Raising Presentation lodged with the ASX on 26 July 2023.

#### **Further information**

Further details of the Equity Raising are set out in the Equity Raising Presentation lodged on the ASX today. The Equity Raising Presentation contains important information including key risks and foreign selling restrictions with respect to the Equity Raising. Further details on the fees payable to the Underwriters are set out in the Appendix 3B lodged on the ASX today. If you have any questions in relation to the Equity Raising, please contact the Company Secretary by phone on +61 8 6374 1700 between 8:30am and 5:00pm (WST) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

For personal use only

## About Panoramic:

Panoramic Resources Limited (ASX: PAN) is a company headquartered in Perth, Western Australia, which owns the Savannah Nickel Project in the East Kimberley. Operations at Savannah were restarted in 2021 and the project was successfully recommissioned with first concentrate shipment achieved in December 2021. Savannah has a minimum 12-year mine life with clear potential to further extend this through ongoing exploration. The asset provides excellent leverage to the nickel, copper and cobalt markets which are heavily linked to global decarbonisation and vehicle electrification.

## Forward Looking Statements:

This announcement contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, production, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to the Company as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

### Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

**This ASX announcement was authorised on behalf of the Panoramic Board by:** Victor Rajasooriar, Managing Director & CEO

**For further information contact:**  
**Victor Rajasooriar, Managing Director & CEO**  
**+61 8 6374 1700**

**Media inquiries:**  
**Michael Vaughan, Fivemark Partners**  
**+61 422 602 720**

For personal use only