



23 May 2024

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Pantoro Limited ('PNR'): Securities Trading Policy

Pantoro Limited (**Pantoro** or **PNR**) refers to ASX's letter dated 14 May 2024 reference 94301 (**ASX Letter**).

In response to the questions contained in the ASX Letter, using capitalised terms as defined in the ASX Letter:

1. *Please provide a copy of the written approval provided to Mr McIntyre from the Chairman (or the appropriate approvers in their absence), as required by section 11.9 of the Trading Policy (not for release to market).*

On 9 April 2024, Mr McIntyre notified the Board that he intended to sell PNR shares to pay income tax liabilities. On or about 23 April 2024, Mr McIntyre spoke to Mr Paul Cmrlec (Managing Director) in respect to the timing for the sale of his PNR shares and, on 23 April 2024, Mr McIntyre confirmed with Mr Wayne Zekulich (Chair) his intention to sell PNR shares.

On 24 April 2024, the Company Secretary, Mr David Okeby, informed Mr McIntyre there was not currently a black out period and nor was there likely to be one over the following weeks and Mr McIntyre notified the PNR Board that he intended to dispose of PNR shares during the following two-week period.

On 30 April 2024, Mr McIntyre sought the approval of PNR's Chair, Mr Wayne Zekulich, to dispose of 1,000,000 ordinary shares in PNR (**McIntyre Shares**) (and also notified PNR's Board).

Verbal approval was provided to Mr McIntyre from PNR's Chair on or around 30 April 2024.

2. *Please outline what steps had been considered and / or taken by PNR in relation to the Capital Raising at the time of the Transaction.*

PNR regularly engages with stockbroking firms and other advisers as part of its investor relations strategy, including conducting non-deal roadshows for existing and prospective investors. During the period between 17 April 2024 and 3 May 2024, Mr Paul Cmrlec (Managing Director) had undertaken a roadshow in the United Kingdom, United States of America, Australia and Canada (**Roadshow**).

On 3 May 2024, Mr Cmrlec was contacted by George Marias and Verity Barritt of Petra Capital Pty Ltd (**Petra Capital**) regarding potential investor appetite to participate in a capital raising at a low discount and Petra Capital sent to Mr Cmrlec a presentation with a covering letter with respect to potential capital raising which was circulated to the Board on 3 May 2024.

On 6 May 2024, further contact was made by Stefan Collins of Canaccord Genuity (Australia) Limited (**Canaccord**) on the same matter. In light of these discussions, Mr Cmrlec decided to inform the Board of the potential for a Capital Raise at the upcoming Board meeting scheduled for 7 May 2024.

The Board met at 10:00am AWST on 7 May 2024. At this Board meeting, Mr Cmrlec provided an update on the recent Roadshow and informed the Board, in general terms, of the discussions with Petra Capital and Canaccord. The Board discussed the rationale of potentially undertaking a capital raising at this time. The Board agreed that further information was required to consider any potential capital raising to be undertaken (including in respect to the Company's operational plans and budget) and that Messrs Cmrlec, Zekulich and Mark Maloney would meet with Petra Capital to understand what they were offering. At this Board meeting there was no discussion of potential structuring, terms, quantum, issue price or timing (other than to note that if a raise was to be undertaken it should occur in the next few weeks).

During 8 May 2024 to 9 May 2024, Messrs Cmrlec, Zekulich (Chair) and Mark Maloney (Director) engaged in further conversations with brokers regarding a potential capital raising. During these discussions, the structuring, terms and issue price of such a raising were discussed and, subject to Board approval, agreed, and it was also agreed to accelerate the timing such that the capital raising would be launched during the coming days.

At approximately 5:00pm AWST on 9 May 2024 the members of the Board were contacted individually by Mr Cmrlec to discuss the Capital Raising including the details of the structure, terms and issue price of the Capital Raising. At this time, I, David Okeby (Company Secretary) sent the Board materials in relation to the Capital Raising to the Board. After these discussions and reviewing the Board materials, the members of the Board provided confirmation to proceed with the Capital Raising.

The joint lead managers, Petra Capital Pty Limited and Euroz Hartleys Limited, for the Capital Raising were appointed on 9 May 2024 at 8:33pm AWST.

3. *Please explain the basis for PNR's apparent view that it was not in a blackout period at any time during the Transaction, commenting specifically on PNR's implicit view that it was not considering any matters subject to Listing Rule 3.1A (as per section 11.4.3 of the Trading Policy).*

Whilst the general subject of capital raising was discussed at the Board meeting held on 7 May 2024, this discussion was nascent and, in the Board's view, too premature to be considered material price sensitive information.

The PNR Board considers that from 5:00pm AWST on 9 May 2024, PNR was in a blackout period as a result of:

- (a) being in possession of unpublished price sensitive information; and
- (b) considering matters which are subject to Listing Rule 3.1A.

4. *Please explain why the Transaction was approved under the Trading Policy if it would reduce Mr McIntyre's relevant interests to a level below that prescribed by the Shareholding Policy.*

The purpose of the Shareholding Policy is to strengthen the alignment between the interests of non-executive directors of PNR and the interests of its shareholders and to encourage a focus on building long term shareholder value, by setting a minimum shareholding in PNR for PNR's non-executive directors to be maintained during their tenure.

Mr McIntyre was appointed to the PNR Board following PNR's acquisition of Tulla Resources Plc (**Tulla**) which was implemented via a UK scheme of arrangement in June 2023 (**Tulla Scheme**). The McIntyre Shares were issued to Mr McIntyre in connection with implementation of the Tulla Scheme pursuant to the terms of his contract with Tulla.

Further, the Shareholding Policy provides that non-executive directors are encouraged to reach the minimum shareholding within three years of appointment and are required to meet the minimum shareholding within five years of appointment. Mr McIntyre was appointed on 30 June 2023. Accordingly, he was encouraged to reach the minimum shareholding threshold by 30 June 2026 and required to do so by 30 June 2028.

Also, section 4 of the Shareholding Policy provides that it is not the intention of the Shareholding Policy to financially disadvantage non-executive directors and shares may be traded to meet income tax and other personal financial obligations.

As announced on 7 May 2024, Mr McIntyre sold the McIntyre Shares to meet income taxation liabilities. For this reason and in accordance with the provisions of the Shareholding Policy set out above, the Transaction was approved.

5. *What consequences does PNR impose for non-compliance with its Shareholding Policy?*

As noted above, the Transaction has not resulted in non-compliance by Mr McIntyre with the Shareholding Policy.

Notwithstanding the above, consequences of non-compliance with the Shareholding Policy is presently a matter for board determination. The Shareholding Policy will be reviewed every two years, with the next review due by July 2025. The Board will consider if the Shareholder Policy requires amendment to prescribe consequences for non-compliance with the policy at such time.

6. *How does Mr McIntyre intend to comply with the Shareholding Policy?*

As noted above, the Transaction has not resulted in non-compliance by Mr McIntyre with the Shareholding Policy.

7. *If any of the above questions has revealed a breach of the Trading Policy, please outline what disciplinary and / or remedial action PNR intends to take in response to this breach.*

PNR's responses to the preceding questions have revealed no such breaches. However, the Board is continuing to consider this issue in light of all applicable internal policies and will determine the appropriate consequential procedures (if any) subsequent to that determination.

8. *Please confirm that PNR is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

Confirmed.

9. *Please confirm that PNR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PNR with delegated authority from the board to respond to ASX on disclosure matters.*

PNR confirms that the above responses have been authorised and approved by the Board and in accordance with its published ASX Disclosure Policy.

Yours sincerely



David Okeby
Company Secretary
Pantoro Limited



14 May 2024

Reference: 94301

Mr David Okeby
Company Secretary
Pantoro Limited

By email

Dear Mr Okeby

Pantoro Limited ('PNR'): Securities Trading Policy Query

ASX refers to the following:

- A. The announcement by PNR titled 'Director Share Sale & Change of Director's Interest Notice' released on the ASX Market Announcements Platform ('**MAP**') on 7 May 2024, which stated (relevantly):

*"Pantoro Limited (ASX:PNR) (Pantoro) advises that Independent Non-Executive Director Colin McIntyre has disposed of 1,000,000 ordinary shares in Pantoro. (the '**Transaction**')"*

The reason for the sale was to pay taxation liabilities which were accrued as a result of a share issue which occurred in conjunction with the Pantoro merger with Tulla Resources Plc (Tulla) in 2023. Under Mr McIntyre's contract with Tulla, he was entitled to a placement of shares in Tulla Resources upon the merger transaction completing, and those shares were treated as income under current taxation law. Mr McIntyre does not hold any further shares in Pantoro."

ASX notes that the Transaction occurred over the course of 2-7 May 2024, and that PNR did not consider that it was in a closed period during that time.

- B. PNR's request for a trading halt, released on MAP on 10 May 2024, pending the release of an announcement concerning a capital raising ('**Trading Halt Request**').
- C. PNR's announcement titled 'Successful A\$100M Equity Raising' released on MAP on 14 May 2024 to lift the trading halt in PNR's securities, which disclosed a \$100 million capital raising to '*restructure the balance sheet and accelerate growth*' ('**Capital Raising**').
- D. PNR's securities trading policy, available on its website¹ (the '**Trading Policy**') which states (relevantly):

- i. At section 11.4:

"The Blackout Period is:

...

11.4.2 *any period when Pantoro is in possession of unpublished price sensitive information;*

11.4.3 *any other period notified by the Company, when Staff are prohibited from trading, which may be imposed by the Company from time to time when the Company is considering matters which are subject to Listing Rule 3.1A."*

- ii. At section 11.5:

¹ <https://www.pantoro.com.au/wp-content/uploads/2021/09/Shareholding-Policy.pdf>

“A person may trade in the Company's securities inside of the Blackout Period described above in the following circumstances:

11.5.1 *the Chair approves the trade by a Director or Officer upon the director or Officer satisfying the Chair that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship, the person is suffering from severe health issues, by court order or other circumstances determined from time to time.” ...*

iii. At section 11.6:

“An exemption will not be granted by the Chairman if it considers that the person in question has exposure to information that is not generally available, but if it were, would be likely to “materially affect” the price of the Company’s shares.”

iv. At section 11.9:

“Directors and officers must not trade in the Company's securities at any time, including in the exceptional circumstances referred to above unless the director, officer or employee obtains prior written clearance from:

11.9.1 *“in the case of a director, the Chairman or in his absence a Director and Company Secretary acting together” ...*

E. PNR’s **‘Shareholding Policy’**, available on its website², which states (relevantly):

“Pantoro’s NEDs are required to acquire and hold a minimum shareholding in Pantoro of approximately equivalent to 100% of their base salary (which base excludes Committee fees and company superannuation contributions).

The minimum shareholding includes Pantoro shares and vested rights (including where held indirectly through companies they control, self-managed superannuation funds in which they are beneficiaries or held by associated entities and close associates, each as defined in the Corporations Act 2001 (Cth)). Unvested performance rights and options are not included in the minimum shareholding calculation.”

F. Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities* which was published to assist listed entities with their obligations under Listing Rules 3.19A and 3.19B and to give an overview of ASX policy in relation to disclosure of directors’ interests and transactions in securities, and Guidance Note 27: *Trading Policies* which was published to assist listed entities to comply with their obligations under Listing Rules 12.9-12.12 regarding trading policies.

Request for information

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks PNR to respond separately to each of the following questions.

1. Please provide a copy of the written approval provided to Mr McIntyre from the Chairman (or the appropriate approvers in their absence), as required by section 11.9 of the Trading Policy (not for release to market).
2. Please outline what steps had been considered and / or taken by PNR in relation to the Capital Raising at the time of the Transaction.

² <https://www.pantoro.com.au/wp-content/uploads/2021/09/Shareholding-Policy.pdf>

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3. Please explain the basis for PNR's apparent view that it was not in a blackout period at any time during the Transaction, commenting specifically on PNR's implicit view that it was not considering any matters subject to Listing Rule 3.1A (as per section 11.4.3 of the Trading Policy).
 4. Please explain why the Transaction was approved under the Trading Policy if it would reduce Mr McIntyre's relevant interests to a level below that prescribed by the Shareholding Policy.
 5. What consequences does PNR impose for non-compliance with its Shareholding Policy?
 6. How does Mr McIntyre intend to comply with the Shareholding Policy?
 7. If any of the above questions has revealed a breach of the Trading Policy, please outline what disciplinary and / or remedial action PNR intends to take in response to this breach.
 8. Please confirm that PNR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 9. Please confirm that PNR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PNR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Tuesday, 21 May 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PNR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PNR to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PNR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PNR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PNR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that PNR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance