



# Offer Document

## Offer

For a non-renounceable, fully underwritten, pro rata rights issue offer of Shares at an issue price of \$0.002 each on the basis of one new Share for every one Share held by Eligible Shareholders at the Record Date to raise up to approximately \$1,226,661 before costs (**Offer**).

## Important Notice

This Offer Document is not a prospectus and has not been lodged with ASIC. Accordingly, this Offer Document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the Shares offered by this Offer Document.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of the Offer. The Shares offered under this Offer Document should be considered highly speculative.

## TABLE OF CONTENTS

IMPORTANT INFORMATION .....	3
CORPORATE DIRECTORY .....	4
1. DETAILS OF THE OFFER .....	5
2. HOW TO APPLY .....	14
3. RISK FACTORS.....	17
4. ADDITIONAL INFORMATION .....	21
5. UNDERWRITING AGREEMENT .....	24
6. DEFINITIONS .....	25

## IMPORTANT INFORMATION

### General

This Offer Document is dated 24 August 2017. This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, Shares offered by this Offer Document.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The Offer is an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus. Eligible Shareholders should therefore consider whether the securities offered under this document are a suitable investment in light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If, after reading this Offer Document, Eligible Shareholders have any questions regarding the Offer, they should contact their stockbroker, lawyer, accountant or other professional adviser before deciding whether or not to accept the Offer.

Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 6 of this Offer Document.

### Risk factors

Before deciding to invest in the Company, Eligible Shareholders should read the entire Offer Document. In considering the prospects for the Company, Eligible Shareholders should consider the risk factors set out in Section 3 that could affect the performance of the Company. Eligible Shareholders should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, lawyer, accountant or other professional adviser before deciding to invest.

### Applications for Shares

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form accompanying this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer.

The Offer made pursuant to this Offer Document is not made to persons to which, or in places in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer under this Offer Document or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Offer Document should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Please refer to Section 1.9 for further information.

## **CORPORATE DIRECTORY**

### **Directors**

Peter Chai (Non-Executive Chairman)  
Sean Chai (Non-Executive Director)  
Michael Pixley (Non-Executive Director)  
CC Lee (Non-Executive Director)  
Gary Williams (Non-Executive Director)

### **Company Secretary**

Brett Crowley

### **Registered Office**

Level 33, 50 Bridge Street  
Sydney NSW 2000  
Australia

### **Indonesian Office**

Jalan Raya Pecenongan  
No.72 Komplek Pertantoran  
Redtop Block E.7-9  
Jakarta 10210  
Indonesia

### **Share Registry**

Link Market Services Limited  
Level 4, 152 St Georges Terrace  
Perth WA 6000

### **Auditor**

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000

### **ASX Code**

PZC

# 1. DETAILS OF THE OFFER

## 1.1 Structure of the Offer

The Company is undertaking a non-renounceable, fully underwritten, pro rata rights issue of Shares at an issue price of \$0.002 each on the basis of one new Share for every one Share held by Eligible Shareholders at the Record Date to raise up to approximately \$1,226,661 before costs. Eligible Shareholders may also apply for Shares in excess of their Entitlement (see Section 1.8 for further information).

Entitlements under the Offer will be rounded down to the nearest whole number.

The Shares issued pursuant to the Offer (including Shortfall Shares) will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares are set out in Section 4.1.

Eligible Shareholders are being sent this Offer Document together with a personalised original Entitlement and Acceptance Form and are invited to apply for new Shares. The Offer opens on 29 August 2017 and closes at 5.00pm (AEST) on 11 September 2017.

## 1.2 Timetable

The indicative timetable for the Offer is set out below.

Event	Date
Announcement of Offer, Appendix 3B and cleansing notice lodged with ASX	21 August 2017
Notice sent to Shareholders	22 August 2017
'Ex' date <sup>1</sup>	23 August 2017
Record Date (7.00pm (AEST)) <sup>2</sup>	24 August 2017
Offer Document sent to Eligible Shareholders and announcement of issue of the Offer Document	29 August 2017
Opening Date	29 August 2017
Closing Date (5.00pm (AEST))	11 September 2017
Deferred settlement trading commences	12 September 2017
ASX notified of any under-subscriptions	14 September 2017
Issue of new Shares and deferred settlement trading ends	18 September 2017
Issue of holding statements and commencement of trading of new Shares	19 September 2017

### Notes:

1. The date from which Shares commence trading without the entitlement to participate in the Offer.
2. The date for determining the Entitlements of Eligible Shareholders to participate in the Offer.

All dates (other than the date of lodgement of the Offer Document with ASX) are indicative only. The Company reserves the right, subject to the Corporations Act, the

ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

### 1.3 Use of funds

The funds raised under the Offer are planned to be used in accordance with the table set out below.

Use of funds	Amount
Project holding costs, expenditure on new project activities (note 1)	\$200,000
Existing creditors	\$500,000
Expenses of the offer	\$20,000
Working capital (note 2)	\$506,661
<b>TOTAL</b>	<b>\$1,226,661</b>

**Notes:**

1. Project holding costs relate to funds that will be used to support the TCM Project, including to maintain the project in good standing. If the Company completes the sale of its interest in the TCM Project then the Company will be also be seeking a new project over the next 12 months to replace the TCM Project.
2. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, payments to creditors, interest payments, other items of a general administrative nature and cash reserves which may be used in connection with the Company's projects, as determined by the Board at the relevant time. Specific examples of how the Company may use working capital include to partially repay the Kopex Loan, and to fund costs associated with the Company's proposed sale of its interest in the TCM Project.

The above table is a statement of the Board's current intention as at the date of this Offer Document. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

### 1.4 Underwritten offer

The Offer is fully underwritten by Investment Advisers Alliance Pty Limited ACN 005 096 444 ("IAA"). **IAA is a Related Party of PZC and is controlled by Mr Peter Chai, a Director of PZC.** See Section 5 for details of the underwriting agreement and Section 1.6 for the potential effect of the underwriting on the control of the Company.

The Company has made written representations to two investment banks/brokers requesting they fully or partly underwrite the Offer. Both of those entities declined. An Australia-wide retail broker declined an invitation made by the directors to fully or partly underwrite the Offer on the basis that the Company and Offer was too small.

As the directors were not able to have the Offer underwritten by an independent and unrelated entity, the directors accepted the offer by IAA to underwrite the Offer.

IAA intends to participate only as an underwriter to the Offer. It will not subscribe for its Entitlements; therefore its Entitlements will form part of the Shortfall.

## 1.5 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out in the table below.

Existing Shares on issue	613,330,708
Shares issued under the Offer	613,330,708
<b>Total</b>	<b>1,226,661,416</b>

**Note:** The above table assumes that no other Shares are issued prior to the Record Date.

## 1.6 Effect of underwriting on control

The Rights Issue is underwritten by IAA.

As at 17 August 2017, PZC has 613,330,708 shares on issue. It has four substantial shareholders as follows:

Shareholder	No.	%
BNP Paribas	159,103,800	25.94
HSBC	108,073,931	17.62
IAA	62,642,249	10.21
Benjamin Cai	48,453,892	7.90

BNP Paribas and HSBC hold their shares as nominees for their clients. As a result, the directors have not been able to determine whether their clients intend to take up their Entitlements under the Offer. Benjamin Cai has stated to the directors that he will take up the whole of his Entitlement under the Offer.

Under the underwriting agreement, IAA is obliged to subscribe for 100% of any Shortfall. Mr Peter Chai, Chairman of the Company, has a controlling interest in IAA. The extent to which shares are issued pursuant to the underwriting will increase IAA's voting power in the Company, and consequently the voting power of Mr Chai. In the event that IAA is required to subscribe for all of the Shortfall Shares up to the underwritten amount, the relevant interest of IAA and of Mr Chai will be 55.11%. The relevant interests of IAA and Mr Chai under several scenarios are set out in the table below.

	Shares held directly by Mr Chai	Shares controlled by Mr Chai	Voting power of Mr Chai
<b>Event</b>			(%)
Date of Offer	0	62,642,249	5.11
<b>Completion of the Offer</b>			
— Fully subscribed	0	62,642,249	5.11
— 75% subscribed	0	215,974,923	17.61
— 50% subscribed	0	369,307,603	30.11
— 25% subscribed	0	522,640,280	42.61
— 0% subscribed	0	675,972,957	55.11

The number of Shares held by IAA and its voting power in the table above shows the potential effect on control of the Company of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of IAA will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders.

Mr Chai has informed the other directors that on the facts and circumstances presently known to him, he is supportive of the current direction of the Company and does not currently intend to make any major changes to its direction and objectives, and that other than as disclosed in this Prospectus:

- (a) does not currently intend to make any changes to the Company's existing businesses;
- (b) does not currently intend to inject further capital into the Company other than in underwriting the Offer;
- (c) does not currently intend for any property to be transferred between the Company and him or any person associated with him;
- (d) does not currently intend to redeploy the Company's fixed assets; and
- (e) does not currently intend to change the Company's existing financial or dividend policies.

## 1.7 Shareholder dilution

Shareholders should be aware that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Offer). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	Interest as at Record Date	Entitlement under Offer	Interest post-Offer if Entitlement not taken up
		(%)		
Shareholder 1	30,000,000	4.89	30,000,000	2.44
Shareholder 2	10,000,000	1.63	10,000,000	0.82
Shareholder 3	5,000,000	0.82	5,000,000	0.41
Shareholder 4	1,000,000	0.16	1,000,000	0.08



Under the underwriting agreement, IAA is obliged to subscribe for up to 613,330,708 Shortfall Shares. In the event that IAA is required to subscribe for all of the Shortfall Shares under its agreement, the relevant interest of IAA will be 55.11%.

The Offer is a pro rata offer so that if all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on control of the Company other than the dilution of any Ineligible Shareholders who are unable to participate in the Offer. If some Eligible Shareholders do not take up all of their Entitlements, then the voting power of those Eligible Shareholders will also be diluted.

## 1.8 Shortfall Shares

Any Shares which are offered to Eligible Shareholders as part of their Entitlement but are not taken up will comprise the **Shortfall Shares**.

Eligible Shareholders who have subscribed for their Entitlements in full may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form and returning it to the Company together with the relevant Application Monies.

Shortfall Shares will be allocated to Eligible Shareholders who apply for Shortfall Shares in accordance with the following policy (subject to availability):

1. firstly:
  - (a) if the Eligible Shareholder applies for 1,000,000 or more Shortfall Shares, then they will receive 1,000,000 Shortfall Shares (i.e. approximately \$2,000 worth); and
  - (b) if the Eligible Shareholder applies for less than 1,000,000 Shortfall Shares, then they will receive the number of Shortfall Shares that they applied for; and
2. secondly, if the Eligible Shareholder applies for more than 1,000,000 Shortfall Shares, then they will receive the number of additional Shortfall Shares applied for pro rata to each relevant Eligible Shareholder's Entitlement.

Any Application Monies received for more than an applicant's final allocation of Shortfall Shares will be refunded (without interest) by the Company in accordance with the Corporations Act.

Subject to the Corporations Act and the ASX Listing Rules, the Board reserves the right, in its absolute discretion, to use the 3 month period following the Closing Date to place the Shortfall Shares which are not taken up by Eligible Shareholders. The Shortfall Shares will be issued at the same issue price as offered to Eligible Shareholders under this Offer Document. The Board may invite persons to apply for Shortfall Shares by completing an application form and returning it to the Company together with the relevant Application Monies.

In order to maximise the opportunity for Eligible Shareholders and unrelated investors to increase their shareholding interest in the Company, the following provisions have been included in the underwriting agreement:

- (i) The Shortfall Offer to Eligible Shareholders will be made before any shortfall notice is made on IAA.
- (ii) The directors have 30 days after the closing date of the Offer to serve a shortfall notice on IAA. This will provide the directors with an opportunity to place Shortfall Shares with eligible investors. The directors have received interest from at least one stockbroking firm to place Shortfall Shares with its clients. In the 30 day period, the directors will promote the Shortfall Shares to stockbrokers and eligible investors.

No Shortfall Shares will be placed to Directors or related parties of the Company (other than pursuant to the underwriting), or any of their associates, and no Shortfall Shares will be placed to any person if it would cause that person or any of their associates to breach the takeover prohibition in section 606 of the Corporations Act.

## 1.9 Eligible Shareholders

An **Eligible Shareholder** is a person who:

- is registered as a holder of Shares as at 7.00pm (AEST) on the Record Date; and
- has a registered address in Australia or New Zealand, or is otherwise eligible under all applicable securities laws to receive an offer of Shares under the Offer.

Please refer to Section 1.10 for the treatment of foreign Shareholders.

A Shareholder who is not an Eligible Shareholders is an **Ineligible Shareholder**.

The Company has determined, in reliance on ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the small number and value of the Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to any Shareholders outside Australia and New Zealand unless that Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, Shares under the Offer.

Where this Offer Document has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Offer, this Offer Document is provided for information purposes only.

The Company has appointed a foreign holder nominee under section 615 of the Corporations Act who will deal with the Shares that Ineligible Shareholders would otherwise be entitled to. Please see Section 1.11 for further information.

## 1.10 Foreign Shareholders

The Offer is only made to, and available for acceptance by, Eligible Shareholders. This Offer Document and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Return of a completed Entitlement and Acceptance Form or payment to the Company via BPAY® will be taken by the Company to constitute a representation and warranty by the applicant that it is eligible to receive an offer of, and be issued, Shares under the Offer and that there has been no breach of applicable securities laws.

The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and anyone who receives this Offer Document should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or the Offer, or otherwise permit a public offering of Shares, in any jurisdiction outside Australia. Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

## Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Indonesia

A registration statement with respect to the New Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the New Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the New Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a “public offer” under the law and regulations in the Republic of Indonesia.

## New Zealand

The Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act, Chapter 289* of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are an existing holder of the Shares. In the event that you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### 1.11 Appointment of foreign holder nominee

The Company has appointed Symmetry Group Pty Ltd ACN 159 449 368 (AFSL 426385) (**Nominee**) as its foreign holder nominee for the purposes of section 615 of the Corporations Act. ASIC has approved the appointment of the Nominee.

Pursuant to the arrangement with the Nominee, the Nominee will subscribe for Shares which Ineligible Shareholders would otherwise be entitled to if they were eligible to participate in the Offer (**Nominee Shares**). The Nominee will then sell the Nominee

Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Shareholders in proportion to their respective shareholdings in accordance with this Section 1.11.

The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares are sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Ineligible Shareholders (if any).

The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Shareholders in proportion to their respective shareholdings, after deducting the subscription price, brokerage commission and other expenses. If the net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds then such proceeds may be retained by the Company.

Despite the Nominee being required to sell the Nominee Shares, Ineligible Shareholders may nevertheless receive no proceeds if the subscription price and costs of the sale are greater than the sale proceeds.

The Company will pay the Nominee a fee of \$2,000 plus GST for its services as the foreign nominee holder.

Neither the Company nor the Nominee takes any responsibility for the outcome of the sale of the Nominee Shares.

#### **1.12 Nominees, trustees and custodians**

The foreign selling restrictions summarised in Section 1.11 apply to the underlying beneficial holder of Shares. Nominees, trustees or custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder.

Shareholders who hold Shares on behalf of persons who are resident outside Australia or New Zealand are responsible for ensuring that accepting the Offer and receiving Shares does not breach regulations in the relevant overseas jurisdictions. Return of a completed Entitlement and Acceptance Form or payment via BPAY® will constitute a representation by the applicant that there has been no breach of such regulations with respect to the Offer.

Shareholders who are nominees, trustees and custodians are therefore advised to seek independent advice as to how they should proceed. Failure to comply with restrictions set out in this Offer Document may result in violations of applicable securities laws.

#### **1.13 No rights trading**

Entitlements under the Offer are non-renounceable and accordingly cannot be traded on the ASX or any other stock exchange, or privately transferred.

#### **1.14 Minimum subscription**

There is no minimum level of subscription for the Offer.

#### **1.15 Underwriting**

The Offer is fully underwritten.

#### **1.16 Trading in new Shares**

The issue of Shares under the Offer will occur in accordance with the timetable set out in

Section 1.2. Upon new Shares being issued under the Offer, holding statements will be sent to applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the new Shares. Applicants who sell their Shares before they receive their holding statement will do so at their own risk.

### 1.17 Applications Monies

All Application Monies for Shares to be issued pursuant to the Offer will be held in the Subscription Account on behalf of applicants until the Shares are issued or, if the Shares are not issued, until the Application Monies are returned to applicants. All interest earned on Application Monies (including those which do not result in the issue of new Shares) will be retained by the Company.

Amounts received by the Company in excess of an applicant's Entitlement (**Excess Amount**) may be treated as an application to apply for as many Shortfall Shares as the Excess Amount will pay for in full. Alternatively, such applications may not be accepted.

Any Applications Monies received for more than an applicant's final allocation of Shares and Shortfall Shares (if any) will be refunded as soon as practicable after the Closing Date.

If Shares are not issued to an applicant, a cheque will be drawn and the relevant Application Monies will be refunded as soon as practicable after the Closing Date.

### 1.18 ASX quotation

The Company will apply to ASX within 7 days after the date of this Offer Document for quotation of the Shares offered under this Offer Document.

If approval for quotation of the Shares to be issued under the Offer is not granted within 3 months after the date of this Offer Document, the Company will not issue any Shares and all Application Monies will be repaid without interest as soon as practicable.

### 1.19 CHESS

The Company participates in the Clearing House Electronic Sub register System (**CHESS**). ASX Settlement Pty Limited (**ASX Settlement**), a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

ASX Settlement will send a CHESS statement to Shareholders who are broker sponsored following the completion of the Offer. Each CHESS statement will set out the number of new Shares issued to the Shareholder under this Offer Document, and provide details of the Shareholder's holder identification number and the participant identification number of the sponsor. CHESS allotment advices will be sent by the Share Registry.

The Share Registry will send a statement to Shareholders who are registered on the issuer sponsored sub-register following the completion of the Offer. Each statement will contain the number of new Shares issued to the Shareholder under this Offer Document and the Shareholder's security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes.

## 2. HOW TO APPLY

This Section 2 sets out the choices for an Eligible Shareholder with respect to applying for new Shares under the Offer. Please refer to Section 1.9 to determine who is an Eligible Shareholder.

### 2.1 Choices available

Eligible Shareholders may do any of the following:

- take up all or part of their Entitlement (refer to Section 2.2); or
- do nothing (refer to Section 2.3).

Eligible Shareholders may also choose to apply for Shortfall Shares as described in Section 1.8.

The Offer is a non-renounceable pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in the Company diluted by the Offer. The percentage shareholdings of Eligible Shareholders who do not take up all of their Entitlement will be diluted. For further details on the effect of the Offer on control of the Company, please refer to Section 1.6.

### 2.2 Take up all or part of Entitlement

Eligible Shareholders who wish to take up all or part of their Entitlement under the Offer should complete the Entitlement and Acceptance Form in respect of the number of new Shares (including any Shortfall Shares) they wish to subscribe for and arrange for payment of the Application Monies in accordance with Section 2.4.

### 2.3 Allow all or part of Entitlement to lapse

If Eligible Shareholders decide not to accept all or part of their Entitlement under the Offer, or fail to accept their Entitlement by the Closing Date, the part of their Entitlement not accepted will lapse. The Shares not subscribed for will form part of the Shortfall Shares.

Eligible Shareholders should note that if they do not take up their Entitlement in full then although they will continue to own the same number of Shares, their percentage holding in the Company may be reduced.

### 2.4 Making an application

**Option 1: Submit a completed Entitlement and Acceptance Form together with a cheque, bank draft or money order.**

To follow option 1, applicants should:

- complete the personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out on that form, and indicate the number of new Shares (including any Shortfall Shares) they wish to subscribe for; and
- return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:



- in respect of the full Application Monies (being \$0.002 multiplied by the number of new Shares (including any Shortfall Shares) they wish to subscribe for); and
- in Australian currency drawn on an Australian branch of a financial institution; and
- made payable to 'Pan Asia Corporation Limited' and crossed 'Not Negotiable'.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of the cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for the number of Shares applied for in the Entitlement and Acceptance Form in full, the applicant will be taken to have applied for the lowest number of whole Shares as the cleared Application Monies will pay for (and to have specified that number of Shares in the Entitlement and Acceptance Form). Alternatively, the application will be rejected.

Cash payments will not be accepted. Receipts for payment will not be issued.

Applicants need to ensure that their completed Entitlement and Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the address below by no later than 5.00pm (AEST) on 11 September 2017.

Completed Entitlement and Acceptance Forms should be returned to the Share Registry at the following address:

If by post:

**Pan Asia Corporation Limited  
c/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001**

If by hand (please do not use this address for mailing purposes):

**Pan Asia Corporation Limited  
c/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138**

Entitlement and Acceptance Forms (and payment of Application Monies) may not be accepted if received after 5.00pm (AEST) on 11 September 2017.

#### **Option 2: Pay via BPAY® payment**

To follow option 2, applicants should pay the full Application Monies, being \$0.002 multiplied by the number of new Shares comprising their Entitlement (plus any Shortfall Shares) or, if subscribing for only part of their Entitlement, the number of new Shares the applicant wishes to subscribe for, via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and the applicant's unique customer reference number). Applicants can only make a payment via BPAY® if they are the holder of an account with an Australian financial institution.

Please note that if payment is made by BPAY®:

- the applicant does not need to submit the personalised Entitlement and Acceptance Form but is taken to make the statements on that form; and
- if the applicant subscribes for less than its Entitlement or does not pay for its full Entitlement, the applicant is taken to have taken up its Entitlement in respect of such whole number of Shares which is covered in full by the Application Monies.

Applicants need to ensure that their BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on 11 September 2017. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above.

## **2.5 Representations by acceptance**

Returning a completed Entitlement and Acceptance Form or making a BPAY® payment will be taken to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Offer Document accompanying the form and has read it in full;
- agrees to be bound by the terms of this Offer Document and the Constitution;
- makes the representations and warranties in Section 1.9 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Offer;
- declares that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Entitlement and Acceptance Form;
- acknowledges that once the Entitlement and Acceptance Form is returned or a BPAY® payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new Shares it applies for at \$0.002 each (or a lower number issued in a way described in this Offer Document) and, subject to Section 1.8, to being issued up to the number of Shortfall Shares it applies for at \$0.002 each;
- authorises the Company to register it as the holder(s) of the Shares issued to it under the Offer;
- acknowledges that the information contained in this Offer Document is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new Shares to be issued to it, including correcting any errors in its Entitlement and Acceptance Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Entitlement and Acceptance Form.



### **3. RISK FACTORS**

#### **3.1 General**

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business. Whilst the Directors recommend that Shareholders take up their Entitlement, there are numerous risk factors involved in an investment in the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. Please note that the summary is not exhaustive and investors should examine the contents of this Offer Document in its entirety and consult with their stockbrokers, lawyers, accountants or other professional advisers before deciding whether or not to apply for Shares.

#### **3.2 Specific risks**

##### **(a) Proposed sale of TCM Project**

As announced to ASX on 12 May 2017, the Company has entered into a binding heads of agreement with Glory Merry Limited under which the Company proposes to sell its interest in the TCM Project for US\$9.5 million less costs and debts on the project which remain to be cleared. The agreement is conditional on a number of key matters including, but not limited to, the following:

- Completion of satisfactory due diligence by the purchaser;
- Check being cleared of any liabilities or claims;
- Approval by PZC shareholders; and
- Obtaining of all regulatory approvals.

There is a risk that the agreement with Glory Merry Limited will not complete due to any one or more conditions not being satisfied, or that the agreement is terminated for some other reason. In this event, the Company would need to reconsider its options with respect to the TCM Project, and there is no guarantee that the Company will be able to find a buyer of the project on reasonable terms, or additional funding to further explore and potentially develop the project.

If the Company does sell its TCM Project then it will be disposing of its only undertaking. Any new assets or business acquired or invested in by the Company may not accord with the investment strategies or preferences of Shareholders. In addition, any new assets or business will inherently carry their own risks.

##### **(b) Commodity prices and exchange rates**

As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices and available markets of these commodities, particularly thermal coal – the Company's primary commodity. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward

selling by producers, production cost levels in major mineral producing centers as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company's cost base will be in Australian dollars. Consequently, changes in the exchange rate of these currencies will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

**(c) Operational risks**

The business of mining and mineral exploration, development and production by its nature contains significant risks. The Company's business depends on, amongst other things, successful exploration and identification of mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, good industrial and community relations and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances, mineral reserves and geotechnical considerations.

**(d) Environmental risks**

The Company's projects are subject to Indonesian laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. As with all mining and exploration projects, the Company's projects would be expected to have a variety of environmental impacts, should advanced exploration or development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

**(e) Changes in Government policy and country risk**

The Company's capacity to explore and mine, as well as industry profitability, can be affected by policy changes by the Indonesian Government that are beyond the control of the Company. Changes in Indonesian Government regulations and policies may adversely affect the financial performance of the Company.

There are risks associated with exploration and mining activities and investments generally in foreign countries that may adversely affect the business, costs, expenditure and profitability of the Company. These risks include:

- changes in foreign country government, government policies, regulatory regime, economic change, civil instability, attitudes towards foreigners or their businesses in their country;
- land access and environmental regulation may be adverse or beneficial; and
- the applicable legal regime including investment into and repatriation of revenue out of the foreign country.

**(f) Resource estimates**

Resource estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare

resource estimates, such estimates may nevertheless prove to be inaccurate.

Resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formation different from those predicated by past sampling or feasibility studies, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

**(g) Competition risk**

The Company competes with other mineral exploration companies. Some of these companies have greater financial and other resources than the Company. As a result, such companies may be in a better position to compete for future business opportunities and there can be no assurance that the Company can effectively compete with these companies.

The Company's inability to secure a new project or business opportunity may have an adverse effect on the operations of the Company, its possible future profitability and the trading price of its securities, including the Shares offered under this Offer Document.

**(h) Ability to exploit successful discoveries**

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and may be subject to the discretion of certain authorities. It may or may not be possible for such conditions to be satisfied. The infrastructure requirements around a successful discovery may also impact on the exploitation of a discovery.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Company. As described above, such work may require the Company to meet or commit to financing obligations for which it may have not planned.

### **3.3 General risks**

**(a) General economic climate**

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on opening costs, commodity prices and stock market prices. The Company's future revenues and Share price may be affected by these factors, as well as by fluctuations in the price of thermal coal or other minerals, which are beyond the Company's control. The price of thermal coal, which is the Company's primary commodity, is subject to fluctuation and any material fluctuation downward may have an adverse effect on the Company's ability to realise future profits.

**(b) Share market conditions**

The market price of the Company's Shares may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

**(c) Future capital needs**

The funding of any further ongoing capital requirements beyond the requirements as set out in this Offer Document will depend upon a number of factors including the extent of the Company's ability to generate income from activities which the company cannot forecast with any certainty.

Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities or develop projects. Further, the Company may be required to reduce the

scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

**(d) Speculative nature of investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital of the market value of the Shares.

## **4. ADDITIONAL INFORMATION**

### **4.1 Rights and liabilities attaching to Shares**

The rights attaching to the Shares are set out in the constitution of the Company. A broad summary (although not an exhaustive or definitive statement) of the rights attaching to the Shares are outlined below.

#### **(a) Ranking of Shares**

At the date of this Offer Document, all shares in the Company are of the same class and rank equally in all respects.

#### **(b) Voting rights**

Subject to any special rights or restrictions (at present there are none), at any Shareholder meeting, each Shareholder present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

#### **(c) Dividend rights**

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

#### **(d) Variation of rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

#### **(e) Transfer of Shares**

Subject to the constitution of the Company, the Corporations Act and other relevant laws, the Shares are freely transferable.

#### **(f) General meetings**

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's constitution, the Corporations Act and any other laws.

#### **(g) Rights on winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- divide among the Shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets (following full satisfaction of all creditors debts) on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

## **4.2 No prospectus**

The Offer complies with the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Class Orders CO 07/571 and CO 08/35. Accordingly, neither this Offer Document nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Offer will be prepared.

## **4.3 Continuous disclosure**

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Some documents relating to the Company are required to be lodged with ASIC. These documents may be obtained from, or inspected at, an ASIC office.

## **4.4 Financial information**

The Company published its half yearly financial results for the period ended 31 December 2016 (**Half-Year Report**) on 13 March 2017. Shareholders should refer to the Half-Year Report and also the Company’s annual report for the period ended 30 June 2016 on the Company website at [www.panasiacorp.com.au](http://www.panasiacorp.com.au) and related announcements on the ASX website at [www.asx.com.au](http://www.asx.com.au) if they wish to obtain more detailed disclosures and commentary on historical financial information.

Investors should note that past price performance of the Company’s Shares provides no guidance as to future price performance.

## **4.5 Taxation implications**

It is the responsibility of all Shareholders to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Neither the Company nor the Directors accept any liability or responsibility in respect of the taxation consequences for Shareholders as a result of the matters referred to in this Offer Document.

## **4.6 Privacy disclosure**

Persons who apply for new Shares under this Offer Document are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications, to provide facilities and services to security holders and to carry out various administrative functions. Access to the information collected may be provided to the Company’s agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares may not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

#### **4.7 Governing law**

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in New South Wales. Each applicant for Shares and Shortfall Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

#### **4.8 Entire agreement**

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it to the exclusion of all prior representations, undertakings and agreements between the Company and you.

#### **4.9 Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Shareholders who:

- have questions relating to the calculation of their Entitlement;
- have questions on how to complete an Entitlement and Acceptance Form or take up their Entitlements; or
- have lost their Entitlement and Acceptance Form and would like a replacement form,

should contact the Company's Share Registry, Link Market Services Limited on 1300 554 474 (from within Australia) or +61 1300 554 474 (from outside Australia) between 8:30am to 5:30pm (AEST) during the Offer period.

Enquiries relating to this Offer Document should be directed to the Company by telephone on +61 8 6489 0600, fax on +61 8 9388 3701 or by email to [jcampbell@panasiacorp.com.au](mailto:jcampbell@panasiacorp.com.au).

## 5. UNDERWRITING AGREEMENT

On 18 August 2017, the Company entered into an underwriting agreement with IAA to underwrite 100% of the Offer, being up to 613,330,078 Shares (**IAA Underwriting Agreement**). The underwriting does not extend to any additional Shares issued prior to the Record Date, including as a result of the exercise of any Options on issue.

IAA is a Related Party of PZC and is controlled by Mr Peter Chai, a Director of PZC.

The IAA Underwriting Agreement was negotiated on an arms' length basis. IAA is obliged to subscribe for 100% of the Shortfall, up to a maximum of 613,330,078 Shares after receiving notice from the Company as to the number of Shortfall Shares.

The Company is required to make the Offer in accordance with all relevant regulatory requirements and has given various representations and warranties to IAA, which are customary for an agreement of this nature.

As is normal for underwriting agreements of this nature, IAA has a wide discretion to terminate its obligations under the IAA Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of Shares. The more significant termination events are a fall in indices event allowing the Underwriter to terminate its obligations if the S&P/ASX 200 Index falls to a level that is 10% or more below the level at the close of business on the business day prior to the date of this Prospectus, the Shares of the Company finish trading on any trading day upon which Shares trade with a closing price that is less than the Offer price of \$0.002, and where an adverse change occurs in respect of the Company or its assets which has a material adverse effect.

No fees payable are payable to IAA under the IAA Underwriting Agreement or otherwise.



## 6. DEFINITIONS

**AEST** means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

**Application Monies** means monies received from persons applying for Shares under the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the official listing rules of the ASX.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the official settlement and operating rules of ASX Settlement.

**CHESS** means the Clearing House Electronic Sub register System operated by ASX Settlement.

**Closing Date** means the date that the Offer closes which is 5.00pm (AEST) 11 September 2017, or such other time and date as the Board determines.

**Company** means Pan Asia Corporation Limited ACN 098 448 269.

**Constitution** means the Constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Eligible Shareholder** has the meaning given in Section 1.8.

**Entitlement** means the entitlement of an Eligible Shareholder to subscribe for one new Share for every one Share held at the Record Date pursuant to the Offer.

**Entitlement and Acceptance Form** means a personalised acceptance form in the form accompanying this Offer Document pursuant to which applicants may apply for Shares.

**Ineligible Shareholder** has the meaning given in Section 1.8.

**Offer** means the offer of Shares made under this Offer Document.

**Offer Document** means this offer document dated 29 August 2017.

**Opening Date** means the first date for receipt of acceptances under the Offer, being 9:00am (AEST) on 29 August 2017, or such other time and date as the Board determines.

**Record Date** means the date for determining the Entitlements of Shareholders under the Offer, being 7.00pm (AEST) on 24 August 2017.

**Related Party** has the meaning in section 228 of the Corporations Act.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Link Market Services Limited.

**Shareholder** means a holder of one or more Shares.

**Shortfall Shares** has the meaning given in Section 1.8.

**Subscription Account** means the account established by the Company to hold Application Monies received under the Offer.

**TCM Project** means the PT Transcoal Minergy High CV Thermal Coal project, of which the Company has a 75% interest, located in the Tanah Bumbu Regency in the province of South Kalimantan, Indonesia.