



**ASX Announcement**  
10 November 2023

## **Pantoro Signs Binding Agreement on Sale of Lithium and Certain Base Metals Rights at Norseman for up to A\$60m**

Pantoro Limited (**Pantoro**) (**ASX:PNR**) is pleased to announce it has executed a binding agreement with Mineral Resources Limited (**MinRes**) (**ASX:MIN**) by which Pantoro divests 100% of its lithium, nickel, copper, and cobalt rights on the Norseman Gold Project for up to A\$60 million in cash consideration plus royalties.

### **Highlights**

- Consideration for the divestment consists of:
  - » A\$30m upfront cash consideration, payable within five days of execution of the binding term sheet;
  - » A\$30m deferred payment, payable upon final investment decision to commence a nickel, copper, and/or cobalt mining operation;
  - » 2% net smelter royalty on all nickel, copper, and cobalt, recovered; and
  - » 0.75% FOB lithium royalty.
  - » Both royalties are subject to certain Mineral Resource thresholds being met.
- Pantoro retains ownership of the tenure and holds all rights to precious and other base metal and battery minerals over the entire tenement package.
- The consideration received strengthens Pantoro's balance sheet and represents a strong return on non-core mineral rights for which no mineral resource currently exists or significant discovery has been made to date.
- Pantoro retains an attractive risk free exposure to any future lithium or nickel/copper metal projects that are developed.

Commenting on the transaction, Managing Director Paul Cmrlec said

"This transaction provides Pantoro with strong immediate value for minerals which have not yet been identified in economic quantities at Norseman. Realisation of value from the assets allows Pantoro to continue to concentrate on production and exploration of its gold assets, with potential value from platinum group elements retained for future consideration.

We wish Mineral Resources the best of luck with its future exploration campaigns in the area."

A summary of the material terms of the Transaction Agreement is set out in Annexure A.

Pantoro was advised by Azure Capital (financial advisor) and DLA Piper (legal advisor).

### **Enquiries**

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This announcement was authorised for release by Paul Cmrlec, Managing Director.

**Annexure A – Key Terms Binding Term Sheet for Sale of Lithium and Base Metals Rights**

<b>Parties</b>	<p>Pantoro Limited's wholly owned subsidiaries Pantoro South Pty Ltd, Central Norseman Gold Corporation, Pangolin Resources Pty Ltd;</p> <p>Mineral Resources Limited and its wholly owned subsidiary A.C.N. 654 242 690 Pty Ltd (together, MRL)</p> <p>Phoenix Industrial Minerals Pty Ltd.</p>
<b>Consideration</b>	<p>Total consideration of up to A\$60 million in cash consideration plus royalties, as follows:</p> <ul style="list-style-type: none"> <li>• A\$30m upfront cash consideration, payable within five days of execution of binding term sheet;</li> <li>• A\$30m deferred contingent payment, payable upon final investment decision to commence a copper, cobalt and/or nickel mining operation;</li> <li>• 2% net smelter royalty on all copper, cobalt, and nickel recovered; and</li> <li>• 0.75% FOB lithium royalty</li> </ul>
<b>Grant of Mineral Rights</b>	<p>Pantoro divests 100% of its lithium rights (Lithium) and 100% of its copper, cobalt and nickel rights (Base Metals) on the Norseman Gold Project</p>
<b>Royalty</b>	<p>The royalties will not become payable by MRL until the delineation of Lithium and Base Metals JORC Resources thresholds, including:</p> <ul style="list-style-type: none"> <li>• JORC Compliant Mineral Resource of <math>\geq 15,000,000</math> tonnes of Lithium at <math>\geq 1.20\%</math> Li<sub>2</sub>O.</li> <li>• JORC Compliant Mineral Resource of <math>\geq 10,000,000</math> tonnes of Base Metals ore.</li> </ul> <p>The Parties have agreed that in the event that MRL does not delineate a JORC Compliant Mineral Resource equal to or greater than the respective thresholds, however recovers and sells an amount of Lithium and/or Base Metals ore from the Tenements which when added to any delineated JORC Complaint Mineral Resource is in excess of the threshold amounts, the royalty shall be payable on all Lithium and Base Metals recovered from the Tenements and sold.</p>
<b>Conditions Precedent</b>	<p>The transaction is not subject to conditions precedent</p>
<b>Other</b>	<p>Customary terms for agreements of this nature, including in relation to assignment, dispute resolution and obligations to comply with laws</p>