



**ASX Announcement**  
13 March 2024

## **Half year financial report and operational update**

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide its half year accounts for FY 2024.

### **Operational Update**

Operations at Pantoro's 100% owned Norseman Gold Project are now progressing well with several key developments in line with the revised operating plan including:

- Implementation of the revised mining plan has progressed smoothly, resulting in the site and company generating free cashflow in February 2024. Operations are currently on track for a further improved result in March 2024.
- The successful ramp up of new open pit contractor, APS Mining and Civil Pty Ltd. The change in contractor was completed smoothly with a focus on operations at the Scotia open pit, with Green Lantern acting as a secondary mining source only when required due to operational constraints. The open pits are operating efficiently, and to expectation.
- RUC Mining Contractors Pty Ltd (RUC) has been successful in the Scotia underground mining tender. Documentation is being finalised and is expected to be completed during the next week. RUC will commence works at the beginning of May 2024. Contract rates align very closely with Pantoro budget assumptions.
- RUC is a Tier 1 Australian contractor with both domestic and international large scale operations, and will bring a fleet of predominantly brand new equipment to Scotia. The majority of RUC's workforce at Scotia is expected to consist of existing RUC employees, substantially reducing any skills shortage risks.
- Works for preparation of the underground portal have commenced and will be completed prior to RUC's mobilisation.
- The OK underground mine continues to perform to expectation.

Commenting on the operations, Managing Director Paul Cmrlec said

"We are very pleased to see the revised mining strategy at Scotia delivering expected results from the outset. After a difficult start-up period, we look forward to a fruitful year ahead for Pantoro".

### **Enquiries**

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

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**PANTORO LIMITED**  
**ABN 30 003 207 467**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2023**

## **CORPORATE DIRECTORY**

### **BOARD OF DIRECTORS**

**Wayne Zekulich** (Independent Non-Executive Chairman)  
**Paul Cmrlec** (Managing Director)  
**Kevin Maloney** (Non-Executive Director)  
**Mark Maloney** (Non-Executive Director)  
**Colin McIntyre** (Independent Non-Executive Director)  
**Fiona Van Maanen** (Independent Non-Executive Director)

### **COMPANY SECRETARY**

David Okeby

### **REGISTERED OFFICE**

Level 2, 46 Ventnor Avenue  
WestPerth WA 6005  
Telephone: +61 8 6263 1110

### **POSTAL ADDRESS**

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West Perth WA 6872

### **E-MAIL**

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### **WEBSITE**

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### **AUDITORS**

**Ernst & Young**  
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Perth WA 6000  
Telephone: +61 8 9429 2222  
Facsimile: +61 8 9429 2436

### **SHARE REGISTRY**

**Computershare Investor Services Pty Ltd**  
Level 17, 221 St Georges Tce  
Perth WA 6000  
GPO Box 2975 Melbourne Vic 3001  
Telephone: (within Australia) 1300 850 505  
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### **SECURITIES EXCHANGE**

**Australian Securities Exchange Limited**  
Level 40, Central Park  
152-158 St Georges Tce  
Perth WA 6000  
Code: **PNR**

## CONTENTS

	<b>PAGE</b>
Directors' Report	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11
Directors' Declaration	19
Auditor's Independence Declaration	20
Independent Review Report	21

## DIRECTORS' REPORT

Your directors present their report together with the consolidated financial report of Pantoro Limited (Pantoro or PNR or the Company) for the half-year ended 31 December 2023.

### DIRECTORS

The directors of the Company at any time during or since the end of the half-year period are:

Wayne Zekulich – Non-Executive Chairman

Paul Cmrlec – Managing Director

Kevin Maloney – Non-Executive Director

Mark Maloney – Non-Executive Director

Colin McIntyre – Independent Non-Executive Director

Fiona Van Maanen – Independent Non-Executive Director

Unless otherwise indicated all directors were in office from the beginning of the financial period until the date of this report.

### REVIEW AND RESULTS OF OPERATIONS

- Consolidated loss after tax - \$15,797,265 (2022: \$44,967,692 loss)
- Total consolidated revenue - \$93,756,777 (2022: \$45,375,059)
- Total cost of sales - \$131,611,308 (2022: \$67,393,796)
- Cash flows used in operating activities - \$29,375,817 (2022: \$3,602,559 from)
- Cash flows from investing activities - \$6,842,026 (2022: \$46,753,970 used in)
- Cash flow from financing activities - \$24,390,501 (2022: \$21,761,615)

### Corporate

As at 31 December 2023, Pantoro had 5,204,030,514 ordinary shares on issue with approximately \$44.5 million in cash and cash equivalents and 85 ounces of gold at the Perth Mint. The capital structure at the end of the period is set out in the table below:

Ordinary Shares (PNR)	5,204,030,514
Unlisted Options	36,363,636 (\$0.275 exercise price expiring 30/9/2024)
Unlisted Employee Options	12,484,616 (various exercise prices and expiry dates)
Director Salary Sacrifice Share Rights	142,944
Options converted during the half-year	nil

During the period no options or share rights were exercised. 2,079,288 unlisted employee ZEPOs were forfeited (948,344 issued 17 November 2021 and 1,130,944 issued 6 December 2022).

On 9 August 2023, the Company announced a capital raise by way of a placement at an issue price of \$0.06 per share to institutional and sophisticated investors. On 15 August 2023, the Company completed the placement raising \$30,000,000 (before costs) and issued 500,000,000 ordinary shares.

### **Norseman Gold Project (PNR 100%)**

The half year was the first period completed under 100% Pantoro ownership following the merger with Tulla Resources. The Norseman Gold project continued to advance its production profile during the half year, with 31,330 ounces produced, compared with 16,976 ounces during the previous 6 months.

All of the construction challenges experienced in early operations were resolved in the processing plant and processing rates are now exceeding the nameplate capacity of 1 million tonnes per annum. Recovery is also meeting design expectations.

Mining rates improved during the period, but continued to lag behind the schedule in the Scotia open pit. As a result, an alternative operational strategy was developed during the final quarter of the period, and was announced to the ASX during January 2024. The strategy resulted in reduced scope in the immediate open pit operations, the early termination of the previous open pit contract and mobilisation of a new contractor early in the 2024 calendar year. Preparations for underground mining at Scotia commenced during the period, and underground mining is expected to commence during the June 2024 quarter. Open pit mining will continue until the December 2024 quarter. Pleasingly, the Scotia orebody continues to perform to expectation in close spaced grade control drilling, and mined grade now that the open pits have advanced below the historical pit voids.

The lower grade Green Lantern open pit continues to produce ore and mining is expected to continue until completion of the Scotia open pit. The new open pit contractor and Pantoro site team are prioritising production from the Scotia open pit in accordance with the operational plan.

The OK underground mine continues to perform well with high grades being encountered in both the Star of Erin and O2 lodes. Production activities are well underway and development is continuing with two twin boom and two single boom jumbo drills in operation. Mined ore grades are continuing to meet Ore Reserve expectations.

Exploration and resource development drilling during the period was limited to ongoing expansion of the OK mine ore lodes where the Ore Reserve significantly increased despite the depletion due to mining during the period.

Pantoro divested its lithium, nickel, and copper rights across the tenure during the period, realising a cash payment of \$30 million. The decision was made following initial drilling campaigns by Mineral Resources and considering historical exploration efforts for base metals which have never identified an economic deposit within the tenement package. Pantoro will continue to benefit from any future mine developments with revenue based royalties retained, and a further \$30 million payment due should a final investment decision be made in relation to a base metals mine in the future.

### **Halls Creek Project (PNR 100%)**

The Halls Creek Project remains on care and maintenance and Pantoro is continuing to advance negotiations with multiple parties for divestment.

## AUDITOR'S INDEPENDENCE

The auditor's independence declaration is included on page 20.

Signed in accordance with a resolution of the Board of Directors.



Paul Cmrlec  
Managing Director

13 March 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR  
THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Note	31 Dec 23 \$	31 Dec 22 \$
Revenue	5	93,756,777	45,375,059
Cost of sales	6(a)	<u>(131,611,308)</u>	<u>(67,393,796)</u>
<b>Gross loss</b>		(37,854,531)	(22,018,737)
Other income	5	29,879,176	655,812
Administration and other expenses	6(b)	(3,579,274)	(1,892,687)
Finance costs	6(c)	(3,104,622)	(4,013,087)
Care and maintenance costs		(1,126,697)	-
Impairment loss on non-financial assets	16	-	(17,467,000)
Exploration and evaluation expenditure written off		(11,317)	(42,228)
Share of loss of an associate		-	<u>(189,765)</u>
<b>Loss before income tax</b>		(15,797,265)	(44,967,692)
Income tax benefit	7	<u>-</u>	<u>-</u>
<b>Loss after income tax</b>		(15,797,265)	(44,967,692)
<b>Other comprehensive loss</b>		-	-
<b>Other comprehensive loss for the year, net of tax</b>		-	-
<b>Total comprehensive loss for the year, net of tax</b>		<u>(15,797,265)</u>	<u>(44,967,692)</u>
<b>Earnings per share attributable to the ordinary equity holders of the parent (cents per share)</b>			
Basic loss per share (cents per share)		(0.31)	(2.78)
Diluted loss per share (cents per share)		(0.31)	(2.78)



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	31 Dec 23 \$	30 Jun 23 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		44,466,679	42,609,969
Trade and other receivables		3,500,819	3,965,937
Inventories	8	13,757,482	9,196,862
Prepayments		1,177,791	1,325,464
<b>Total current assets</b>		<u>62,902,771</u>	<u>57,098,232</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	105,712,076	113,016,119
Exploration and evaluation expenditure	10	193,883,693	208,960,502
Mine properties and development costs	11	120,941,514	103,861,253
Goodwill		31,973,137	31,973,137
<b>Total non-current assets</b>		<u>452,510,420</u>	<u>457,811,011</u>
<b>TOTAL ASSETS</b>		<u>515,413,191</u>	<u>514,909,243</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		43,411,751	57,641,925
Provisions		1,725,798	1,564,152
Interest-bearing loans and borrowings	12	26,004,793	55,421,188
Other financial liabilities		5,355,709	7,556,279
<b>Total current liabilities</b>		<u>76,498,051</u>	<u>122,183,544</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		34,892,098	30,267,722
Interest-bearing loans and borrowings	12	53,274,489	24,151,803
Other financial liabilities		-	86,466
<b>Total non-current liabilities</b>		<u>88,166,587</u>	<u>54,505,991</u>
<b>TOTAL LIABILITIES</b>		<u>164,664,638</u>	<u>176,689,535</u>
<b>NET ASSETS</b>		<u>350,748,553</u>	<u>338,219,708</u>
<b>EQUITY</b>			
Issued capital	13	591,976,266	563,899,951
Reserves		12,962,568	12,712,773
Accumulated losses		(254,190,281)	(238,393,016)
<b>TOTAL EQUITY</b>		<u>350,748,553</u>	<u>338,219,708</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Issued capital	Options reserve	Share-based payments reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
<b>At 1 July 2022</b>	344,731,334	4,613,958	7,304,252	(163,753,209)	192,896,335
Loss for the period	-	-	-	(44,967,692)	(44,967,692)
Other comprehensive loss, net of tax	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(44,967,692)</b>	<b>(44,967,692)</b>
Shares issued during the period	29,371,000	-	-	-	29,371,000
Share issue costs	(1,934,860)	-	-	-	(1,934,860)
Share-based payments	-	-	368,193	-	368,193
<b>At 31 December 2022</b>	<b>372,167,474</b>	<b>4,613,958</b>	<b>7,672,445</b>	<b>(208,720,901)</b>	<b>175,732,976</b>

	Issued capital	Options reserve	Share-based payments reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
<b>At 1 July 2023</b>	563,899,951	4,613,958	8,098,815	(238,393,016)	338,219,708
Loss for the period	-	-	-	(15,797,265)	(15,797,265)
Other comprehensive loss, net of tax	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(15,797,265)</b>	<b>(15,797,265)</b>
Shares issued during the period	30,000,000	-	-	-	30,000,000
Share issue costs	(1,923,685)	-	-	-	(1,923,685)
Share-based payments	-	-	249,795	-	249,795
<b>At 30 June 2023</b>	<b>591,976,266</b>	<b>4,613,958</b>	<b>8,348,610</b>	<b>(254,190,281)</b>	<b>350,748,553</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	<b>31 Dec 23</b>	<b>31 Dec 22</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	93,756,777	45,375,059
Payments to suppliers and employees	(120,688,261)	(46,266,859)
Interest and borrowing costs paid	(2,033,088)	(2,967,626)
Interest received	479,176	217,680
Other income	-	39,188
Payments for transaction costs	(890,421)	-
Net cash used in operating activities	<u>(29,375,817)</u>	<u>(3,602,558)</u>
<b>CASH FLOWS FROM/(USED) IN INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(1,214,574)	(10,426,301)
Payments for exploration and evaluation	(2,944,068)	(6,668,882)
Payments for mine properties and development	(18,399,332)	(31,305,095)
Proceeds from sale of property, plant and equipment	-	40,818
Proceeds from sale of mineral rights	29,400,000	-
Receipts from finance leases	-	1,605,490
Net cash flows used in investing activities	<u>6,842,026</u>	<u>(46,753,970)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issues	30,000,000	29,371,000
Transaction costs on issue of shares	(1,923,685)	(1,934,860)
Payment of principal portion of insurance premium funding	(305,288)	(472,322)
Payment of principal portion of lease liabilities	(3,380,526)	(5,202,203)
Net cash flows from financing activities	<u>24,390,501</u>	<u>21,761,615</u>
Net increase/(decrease) in cash and cash equivalents held	1,856,710	(28,594,913)
Cash and cash equivalents at the beginning of the financial period	<u>42,609,969</u>	<u>52,040,884</u>
Cash and cash equivalents at the end of the financial period	<u><u>44,466,679</u></u>	<u><u>23,445,971</u></u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate Information**

Pantoro Limited (Pantoro or the Company) is a for-profit entity limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of Pantoro and its controlled entities (the Group) are described in the Directors' Report.

The address of the registered office is Level 2, 46 Ventnor Avenue, West Perth WA 6005.

The consolidated half-year financial statements were authorised for issue in accordance with a resolution of the directors on 13 March 2024.

### **2. Basis of preparation**

The half-year report is comprised of the financial statements of Pantoro (the Parent Company) and its controlled entities. Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date at which the Group ceases to have control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

#### **Going concern**

The half year consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business operations and the realisation of assets and discharge of liabilities in the normal course of business.

The Group has made an operating loss of \$15.8 million (2022: operating loss of \$45.0 million) and has incurred operating and investing cash outflows of \$22.5 million (2022: operating and investing cash outflows of \$50.4 million) for the six-month period ended 31 December 2023. In addition, as at 31 December 2023, the group has a working capital deficiency of \$13.6 million (2022: working capital deficiency of \$65.1 million).

The Directors, in the consideration of the appropriateness of the going concern basis for the preparation of the half year financial statements have prepared a cash flow forecast through to the period ended 31 March 2025, which assumes the successful ongoing ramp up of operations at the Group's Norseman Gold project are necessary for the Group to have sufficient cash to continue as a going concern.

The Norseman Gold project is expected to reach budgeted production rates by the end of the current financial year, with approximately 50,000 ounces of gold production planned for the second half of the financial year ended 30 June 2024.

The achievement of the Group's cashflow forecasts is dependent upon the Group achieving forecast targets for revenue, mining operations and processing activities that are in accordance with management's plans and forecast commodity pricing and foreign exchange assumptions. Critical to achieving the forecast cashflows is the Group's ability to achieve the forecast gold production from the Norseman Gold Project which is primarily dependent upon the successful ongoing increase in underground tonnes mined and increase in grade of open pit tonnes mined at the Group's Norseman Gold Project.

Should this not occur, it is likely the Group will require additional capital and may be required to renegotiate its finance facilities.

At the date of signing this report, the Directors are satisfied there is a reasonable basis that the Group will be able to achieve the matters set out above, and thus it is appropriate to prepare the financial statements on a going concern basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In the event the Group is unable to achieve the matters set out above, a material uncertainty would exist that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

### 3. Statement of compliance

This general purpose condensed consolidated financial statements has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all the information required for full annual financial statements, and should be read in conjunction with the annual report of Pantoro for the year ended 30 June 2023 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *ASX Listing Rules*.

The accounting policies are consistent with those disclosed in the 2023 annual financial statements except for the impact of new or amended standards and interpretations effective 1 July 2023. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies.

### 4. New and amended accounting policies, standards and interpretations adopted

The Group has not adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective.

### 5. Revenue

	<b>2023</b>	<b>2022</b>
<b>Revenue from contracts with customers</b>	<b>\$</b>	<b>\$</b>
Sale of gold at spot	93,575,379	45,151,134
Sale of silver	181,398	223,925
<b>Total revenue from contracts with customers</b>	<b>93,756,777</b>	<b>45,375,059</b>
<b>Other income</b>		
Interest revenue calculated using the effective interest rate method	479,176	217,680
Finance income on the net investment in finance leases	-	398,944
Sale of mineral rights net of costs <sup>(1)</sup>	29,400,000	-
Other income	-	39,188
<b>Total other income</b>	<b>29,879,176</b>	<b>655,812</b>

<sup>(1)</sup> On 10 November 2023, Pantoro announced it had entered a binding agreement with Mineral Resources Limited by which Pantoro divests its lithium, nickel, copper and cobalt rights across the Norseman Gold Project tenure, realising a cash payment of \$29.4 million net of costs of \$0.6 million. Pantoro will continue to benefit from any future mine developments with revenue based royalties retained, and a further \$30 million payment due should a final investment decision be made in relation to a base metals mine in the future.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6. Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Cost of sales</b>		
Salaries, wages expense and other employee benefits	(6,768,457)	(10,042,497)
Superannuation	(616,219)	(907,355)
Short term lease expenses	(734,049)	(116,876)
Mining costs	(71,934,500)	(20,343,658)
Processing costs	(19,829,552)	(9,211,015)
Other production costs net of inventory movements	(2,361,887)	(5,326,428)
Royalties	(2,157,030)	(888,198)
Reversal/(write down) in value of inventories to estimated net realisable value	125,048	(2,776,794)
<b>Depreciation and amortisation expense</b>		
Plant and equipment	(4,594,870)	(2,568,677)
Buildings	(366,176)	(186,954)
Mine properties and development costs	(18,753,528)	(10,930,651)
Right of use assets	(3,620,088)	(4,094,693)
<b>Total cost of sales</b>	<u>(131,611,308)</u>	<u>(67,393,796)</u>
<b>(b) Other expenses</b>		
<b>Administration expenses</b>		
Salaries, wages expense and other employee benefits	(590,755)	(570,932)
Superannuation	(53,425)	(51,632)
Directors' fees and other benefits	(279,136)	(157,499)
Share-based payments	(249,795)	(368,193)
Consulting expenses	(437,684)	(293,329)
Transaction costs	(890,421)	-
Travel and accommodation expenses	(24,368)	(23,292)
Administration costs	(795,327)	(410,794)
<b>Depreciation expense</b>		
Depreciation of non-current assets:		
Property, plant and equipment	(13,899)	(19,867)
Right of use assets	(42,823)	(42,823)
<b>Total administration expenses</b>	<u>(3,377,633)</u>	<u>(1,938,361)</u>
<b>Other expenses</b>		
Foreign exchange gain	(21,663)	-
Net (loss)/profit on disposal of property, plant and equipment	(3,847)	6,248
Gain on lease terminations	39,787	39,426
Gain/(loss) on derivative instrument at fair value through profit or loss	(288,729)	-
	<u>(274,452)</u>	<u>45,674</u>
<b>Total other expenses</b>	<u>(3,652,085)</u>	<u>(1,892,687)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6. Expenses (continued)**

**(c) Finance costs**

Interest and borrowing costs	(5,352,947)	(2,693,612)
Interest on lease liabilities	(869,100)	(995,517)
Unwinding of rehabilitation provision discount	(818,683)	(323,958)
Unrealised foreign currency gain/(loss)	1,360,342	-
Gain on movement in embedded derivative value	2,575,766	-
<b>Total finance costs</b>	<u>(3,104,622)</u>	<u>(4,013,087)</u>

**7. Income tax**

No income tax benefit was recognised on the loss incurred during the period as the requirements for recognition of deferred tax assets under the applicable accounting standard have not been satisfied as at 31 December 2023.

**8. Inventories**

	<b>Dec 23</b>	<b>Jun 23</b>
	<b>\$</b>	<b>\$</b>
Ore stocks at net realisable value	3,305,089	916,909
Gold in circuit at net realisable value	4,762,508	3,827,314
Gold in transit at cost	144,742	190,435
Stores and spares at cost	5,792,672	4,509,733
Provision for obsolete stores and spares	(247,529)	(247,529)
	<u>13,757,482</u>	<u>9,196,862</u>

**9. Property, plant and equipment**

During the half-year ended 31 December 2023, the Group paid \$1,214,574 (2022: \$10,426,301) in relation to property, plant and equipment acquisitions. This relates to ongoing site improvements at the Norseman Gold Project.

During the period, no impairment amount was recognised (2022: \$3,816,423 - refer to note 16).

**10. Exploration and evaluation expenditure**

During the half-year ended 31 December 2023, the Group paid \$2,944,068 (2022: \$6,668,882) in relation to exploration and evaluation expenditure.

During the period, a review was undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. As a result, exploration and evaluation expenditure of \$11,317 (2022: \$42,228) was written off to the profit and loss.

During the period, no impairment amount was recognised (2022: \$5,353,493 - refer to note 16).

During the period, the Group transferred exploration and evaluation assets of \$21,098,151 (2022: nil) associated with the Scotia underground resource to mine properties. The exploration and evaluation asset was reclassified to mine properties due to the Scotia underground development scheduled to commence in the June 2024 quarter.

**11. Mine properties and development**

During the half-year ended 31 December 2023, the Group paid \$18,399,332 (2022: \$31,305,095) in relation to mine properties and developments costs.

During the period, no impairment amount was recognised (2022: \$8,297,084 - refer to note 16).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**12. Interest bearing loans and liabilities**

	Dec 23	Jun 23
	\$	\$
<b>Current</b>		
Insurance premium funding	514,638	84,729
Lease liabilities <sup>(1)</sup>	6,985,339	6,820,862
Nebari loan <sup>(2)</sup>	18,504,816	48,515,597
	<u>26,004,793</u>	<u>55,421,188</u>
<b>Non-current</b>		
Lease liabilities <sup>(1)</sup>	20,727,499	24,151,803
Nebari loan <sup>(2)</sup>	32,546,990	-
	<u>53,274,489</u>	<u>24,151,803</u>

<sup>(1)</sup> Lease liability amounts relate solely to right-of-use leases. If contracts giving rise to these leases were ceased the termination payments due would be significantly less than the balance.

<sup>(2)</sup> On 18 June 2023, Pantoro executed a A\$55 million equivalent USD-denominated senior secured loan agreement with Nebari Natural Resources Credit Fund I, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Gold Fund 1, LP (Nebari). The loan agreement comprised two facilities being a A\$37.2 million amortising term loan and a A\$17.8 million convertible loan. Both facilities were fully drawn down on 30 June 2023. Details of each are below:

**Term Loan Facility**

- US\$25.2M funds advanced net of a 7% original issuer discount;
- 48 month term;
- Coupon of Secure Overnight Financing Rate (SOFR) + 8.0% per annum on the outstanding balance;
- first 8 months of interest payments eligible for payment in kind treatment (capitalisation of interest) and will amortise over the remaining life of loan;
- Straight line amortisation profile, being 2.5% of principle per month, after a 12 month interest only period; and
- The Company has the right to make early repayments subject to a minimum term of 12 months.

**Convertible Loan Facility**

- US\$12.1M funds advanced net of a 3.5% original issuer discount;
- 48 month term;
- Coupon of Secure Overnight Financing Rate (SOFR) + 3.0% per annum on the outstanding balance;
- first 8 months of interest payments eligible for payment in kind treatment (capitalisation of interest) and will amortise over the remaining life of loan;
- Nebari, at its election, may convert an amount of up to 100% of the outstanding balance into fully paid ordinary Pantoro shares, in one or multiple parts at any time prior to maturity or the repayment of the convertible loan;
- Conversion price is US\$0.0636 per share representing a 37.5% premium to the lowest 25 day VWAP of Pantoro shares at:
  - the date of signing the term sheet, being A\$0.0686
  - the date of execution of the binding loan agreement, being A\$0.0682; or
  - the date the loan agreement is publicly announced, being A\$0.0682,
    - multiplied by the settlement exchange rate of 0.6786;
    - The Company has the right to prepay in whole or part. If Pantoro elects to prepay, Pantoro must issue such number of options to Nebari equal to 85% of the prepaid amount divided by the conversion price, exercisable at the conversion price expiring on the later of the maturity date and the date that is 18 months after the date of prepayment; and
- Loan amortisation is 100% at maturity, if not converted beforehand.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12. Interest bearing loans and liabilities (continued)

The Nebari loan facility is secured over the assets and shares in subsidiaries of Pantoro Limited and its subsidiaries Halls Creek Mining Pty Ltd, Pantoro South Pty Ltd, Pacific Niugini Minerals Pty Ltd, Central Norseman Gold Corporation Pty Ltd and Pangolin Resources Pty Ltd. The security over the assets of Pantoro South Pty Ltd, Central Norseman Gold Corporation Pty Ltd and Pangolin Resources Pty Ltd extends to a mortgage over the key Norseman project tenure.

The fair value of the Nebari finance facility approximates its carrying value.

### 13. Contributed equity

	<b>Dec 23</b>	<b>Jun 23</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Ordinary shares</b>		
Issued and fully paid	591,976,266	563,899,951
 <b>(b) Movements in ordinary shares on issue</b>		
	<b>Number</b>	<b>\$</b>
<b>At 1 July 2022</b>	<b>1,575,044,871</b>	<b>344,731,334</b>
Share placements	196,551,724	28,500,000
Share Purchase Plan	6,006,976	871,000
Exercise of ZEPOs	1,102,730	-
Exercise of share rights	114,271	-
Share issue costs	-	(1,934,860)
<b>At 31 December 2022</b>	<b>1,778,820,572</b>	<b>372,167,474</b>
 <b>At 1 July 2023</b>	<b>4,704,030,514</b>	<b>563,899,951</b>
Share placements <sup>(1)</sup>	500,000,000	30,000,000
Share issue costs	-	(1,923,685)
<b>At 31 December 2023</b>	<b>5,204,030,514</b>	<b>591,976,266</b>

<sup>(1)</sup> On 15 August 2023, the Company completed a share placement of 500,000,000 ordinary shares at an issue price of \$0.06 per share. Costs of the issue amounted to \$1,923,685.

### 14. Segment information

For management purposes, the Group now has a single operating segment being the Norseman Gold Project following the Halls Creek Project being put on care and maintenance during the 30 June 2023 year.

All material revenue in the current period is derived from the development of mineral resources from the Norseman Gold Project in Australia, which is the Group's sole cash generating unit. Segment revenue is all derived from within Australia with all gold and silver being sold to The Perth Mint. All material revenue in the prior comparative period was derived from the Halls creek Project.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **15. Commitments and contingencies**

#### **Commitments**

At 31 December 2023, the Group had the following commitments:

- tenement lease expenditure commitments of \$32,183,220 on which mining and exploration operations are located (30 June 2023: \$34,236,180);
- capital expenditure commitments of \$179,920 principally relating to ongoing site improvements at the Norseman Gold Project (30 June 2023: \$603,073);
- the Group has entered into a number of key contracts as part of its operations with terms between 1 and 3 years. The minimum expected payments in relation to these contracts which were not required to be recognised as liabilities at 31 December 2023 amount to approximately \$72,175,000 (undiscounted) (30 June 2023: \$152,871,000); and
- future minimum lease commitments for non-cancellable leases not yet commenced of \$1,149,984.

#### **Contingencies**

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Group.

### **16. Impairment of assets**

The Group conducts an internal review of asset values at each reporting date, which is used as a source of information to assess for any indicators of impairment. Factors, such as changes in gold price, production performance and costs are monitored to assess for indicators of performance. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating unit CGU).

As at 31 December 2023, Pantoro's net assets exceeded its market capitalisation which is an impairment indicator. Impairment assessments were prepared for the Halls Creek and Norseman CGU's with no impairment adjustment required.

As at 31 December 2022, it was determined that the decision to suspend capital development, at the Halls Creek Project CGU (as announced on the ASX on 4 January 2023), and mine developed ore before placing the mine on care and maintenance, together with consideration of divestment and future production options, required an impairment assessment of the Halls Creek Project CGU.

The carrying value of the Halls Creek Project CGU before impairment charges was \$32,196,576. Pantoro determined that the recoverable amount of the CGU of \$14,730,160 was less than its carrying value and therefore an impairment of \$17,467,000 was recognised at 31 December 2022. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **17. Subsequent events**

On 17 January 2024, the Company announced a review of its current mining strategy with the development of the Scotia underground to begin earlier than originally forecast due to changing economic conditions. To accommodate this, open pit mining plans at Scotia have been modified that will see a reduction in activity with Scotia Central being mined to the 135mRL, approximately 30 metres above the previously planned pit floor. In addition, the Scotia North open pit has been deferred to be mined later in the mine life. Further, Pantoro anticipates that the Scotia North orebodies may now be able to be accessed via the underground workings, removing the planned open pit cutback in that area. As a result of the planned changes, Pantoro and its contractor, Hampton Transport Services have agreed to terminate the open pit contract at 31 January 2024 for the payment of an agreed settlement fee which sets aside all previous contractual claims by both parties. As the contract was terminated post 31 December 2023 no amount has been recognized in these financial statements for the termination fee. Pantoro has appointed APS Mining and Civil (load and haul operations) and Rock on Ground (drill and blast) to complete the reduced scope in Scotia and Green Lantern open pits.

RUC Mining Contractors Pty Ltd (RUC) has been successful in the Scotia underground mining tender. Documentation is being finalised and is expected to be completed during the next week. RUC will commence works at the beginning of May 2024.

There are no matters or circumstances which have arisen since the end of the financial period to the date of this report, which have significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

### **18. Dividends**

No dividends were provided for or paid during the half-year or up to the date of this report.

### **19. Related party transactions**

No related party transactions have taken place during the financial period other than remuneration payments to key management personnel.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Pantoro Limited (the Company), I state that:

In the opinion of the directors:

- a) the financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) subject to the matters stated in Note 2 of the interim financial report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Paul Cmrlec  
Managing Director

13 March 2024



**Building a better  
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## **Auditor's independence declaration to the directors of Pantoro Limited**

As lead auditor for the review of the half-year financial report of Pantoro Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pantoro Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham'.

Gavin Buckingham  
Partner  
13 March 2024



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## **Independent auditor's review report to the members of Pantoro Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Pantoro Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Material uncertainty related to going concern**

We draw attention to Note 2 of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

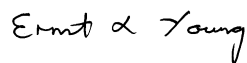
### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



Gavin Buckingham  
Partner  
Perth  
13 March 2024