



ASX Announcement
11 January 2018

Production Continues to Increase at Nicolson's

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide a summary of key events during the December 2017 quarter ahead of releasing its quarterly activities report. Key highlights during the quarter included:

- Record production of 13,841 ounces compared with 13,282 ounces in the September quarter and 9,598 ounces during the December 2016 quarter. This represents a 44% production increase year on year.
- Nicolson's processing plant continued to operate reliably at increased production rates with 60,443 tonnes processed at an average grade of 7.67 g/t Au and an average recovery of 92.9%.
- Pantoro completed its ore sorting test work and subsequently ordered a Steinert ore sorter for installation at Nicolson's. The ore sorter will be the primary facilitator of continued production increases during the coming year and is planned to be operational by April 2018. Pantoro is continuing to aim for production rates of 80-100,000 ounces per annum by the end of 2018.
- Wagtail open pits were completed in December 2017 as planned. Works to establish underground access points are underway. Pantoro is aiming to have approvals in place to commence underground mining at Wagtail in April 2018.
- Four drill rigs are continuing to operate at site with Mineral Resource and Ore Reserve updates planned in the first half of 2018. Drilling is primarily focussed on Nicolson's depth extensions and Wagtail underground definition and extension. First pass exploration results from other drill targets are expected during the current quarter.
- Net debt position reduced by 1,500 ounces to 2,000 ounces. Pantoro expects to be debt free by the end of April 2018 with 500 ounces being repaid per month. Cash and gold at the end of the quarter was \$15.2 million[^].

Managing Director Paul Cmrlec said

"The Nicolson's team has delivered another outstanding operational result during the December quarter, producing the tenth quarter on quarter production increase in a row. Production is expected to remain around current levels for the next two quarters ahead of further substantial increases as underground ore supply from Wagtail and the benefits of ore sorting take effect. With the outstanding project debt due to be repaid early in 2018, the company is very well positioned to continue its growth trajectory during the coming year."

Enquiries

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[^] Cash and gold includes \$12.58 million cash, 165.5 ounces gold at mint, 1,011.2 ounces gold in bars, and 393.8 ounces GIC @ closing gold price \$1,662/oz.

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