



PANTORO

Quarterly Report

Ending 31 March 2018

Key Highlights

Operations

- Production of 13,385 ounces. Maintaining the 55,000 ounce per annum production rate achieved during the previous quarter.
- AISC of A\$1,183 per ounce. AISC primarily reflecting stockpile adjustments and increased manning and equipment mobilised to site ahead of the Nicolsons production ramp up and Wagtail underground mine commencement.
- Pantoro's cash and gold position increased by \$1.4 million despite advancement of major capital upgrade projects. Projects started and nearing completion included the installation of ore sorting and fixed tertiary crushing to facilitate further production growth, and raise bore development of a new surface ventilation rise at Nicolsons.
- Preparation of the Wagtail site and open pits for underground mining was well advanced with in pit capital earth works completed. All equipment is now on site, and final regulatory approval is expected in the very near term. Development will commence as soon as final approvals are received.

Continued High Grade Drilling Results

- Drilling at both Nicolsons and Wagtail continued throughout the quarter. Best results included:

Nicolsons

- 1 m @ 11.80 g/t Au (Anderson 410mbs).
- 3.8 m @ 58.36 g/t Au inc. 2.4 m @ 91.7 g/t Au (Johnston).
- 1.10 m @ 51.06 g/t Au (Johnston).
- 16.9 m @ 7.20 g/t Au (TW 4.56 m) including 8.35 m @ 12.04 g/t Au (Anderson).

Wagtail/Rowdies

- 2.34 m @ 63.12 g/t Au, inc. 0.9 m @ 83.65 g/t Au (Wagtail South).
- 1.75 m @ 20.19 g/t Au, inc. 0.98 m @ 34.4 g/t Au (Rowdies).
- 0.8 m @ 17.51 g/t Au (Rowdies).
- 1 m @ 18.51 g/t Au (Rowdies).
- Development in the upper levels of the Johnston Lode has revealed very high grade zones of ore, significantly out-performing the current Mineral Resource. Zones developed included 80 m averaging 2.25 m wide @ 39 g/t Au on the 2160 Level and 45 m averaging 2.2 m wide @ 72 g/t Au on the 2200 Level.

Corporate

- Pantoro was debt free as of 3 April 2018. Completion of debt repayments will result in additional cashflow of approximately \$2.6 million per quarter in the coming periods.
- \$16.6 million in cash and gold at the end of the quarter despite the extensive capital works undertaken (\$15.2 million at the end of the December 2017 quarter).

Enquiries

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About Pantoro Limited

Pantoro is an Australian gold producer with its 100% owned Halls Creek Gold Project in the Kimberley Region of Western Australia being the key operational focus. The project provides the company with a platform for growth through the operation of its first producing gold asset, which includes underground and open pit mines, and a modern CIP processing facility. Mineral Resource expansion and project scale exploration drilling is underway with outstanding results to date.

Pantoro commenced construction and refurbishment works at Nicolsons during February 2015 and commenced production in Q3 2015. The Mineral Resource and Ore Reserves have been significantly upgraded since operations commenced, with both higher grades, and additional Ore Lodes identified during mining. The Mineral Resource is open at depth and along strike.

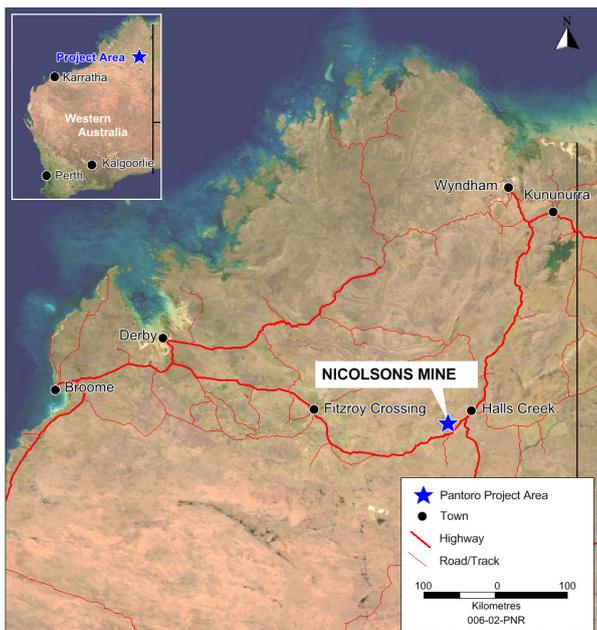
The company is currently producing gold at levels exceeding its feasibility study targets and has expanded to a production rate of 55,000 ounces per annum. Pantoro is currently undertaking additional upgrades in the processing plant and the underground mines to facilitate further increases in production to 80 – 100, 000 Oz per annum in the near term.

In addition to the Halls Creek Project, Pantoro holds exploration tenements in Papua New Guinea. The tenement package includes the Garaina Prospect in the Morobe Province, where Pantoro has discovered a large surface copper and gold anomaly, which has been further delineated by geophysical surveys, grid based geochemical assays, surface costean sampling and drilling. The discovery has potential to be developed into a large scale deposit through further exploration, however Halls Creek remains as Pantoro's sole focus at the present time.



Activities Report

Halls Creek Project – Western Australia



The Halls Creek Project Location

The Halls Creek Project includes the Nicolsons and Wagtail Mines, (35 km south west of Halls Creek) and a pipeline of exploration and development prospects located south-west of Halls Creek in the Kimberley Region of Western Australia.

Pantoro acquired the project during April 2014, and took possession of the site in May 2014 enacting its rapid development plan for the project. First production was achieved at Nicolsons in the September 2015 quarter. The mine was developed with a strategy to minimize pre-production capital and to aggressively grow production and the mine Mineral Resource base utilizing early cashflows. The growth phase of the operation is now well underway.

The project currently has a declared Mineral Resource of 376,000 ounces of gold. Mine development and production to date has revealed a significant overall to the feasibility Ore Reserve. An Ore Reserve upgrade was completed in May 2017, with further ongoing updates planned during the June 2018 quarter.

The project region has been sporadically explored over a number of years. Prospecting has shown significant potential in the immediate area, which remains sparsely explored with minimal drill testing of targets outside of the existing resources (beneath and immediately adjacent to the existing open pits). Exploration by Pantoro has been highly successful in identifying additional mineralisation. The company is actively drilling depth extensions at Nicolsons, underground mining targets at Wagtail, and a number of regional exploration targets. The company strategy is to continue profitable production while substantially growing the Ore Reserve to facilitate further growth at the operation. Pantoro has recently acquired two additional tenement packages at Grants Creek and Mary River. Both of the new areas have seen extensive historical mining during the 1880s and 1890's with additional work completed in more recent times demonstrating the potential for discovery of additional high grade deposits. Pantoro owns the only commercial scale processing plant in the Kimberley Region of Western Australia, providing excellent potential for additional growth from other gold deposits in the area.



Quarterly Results – Nicolsons Mine

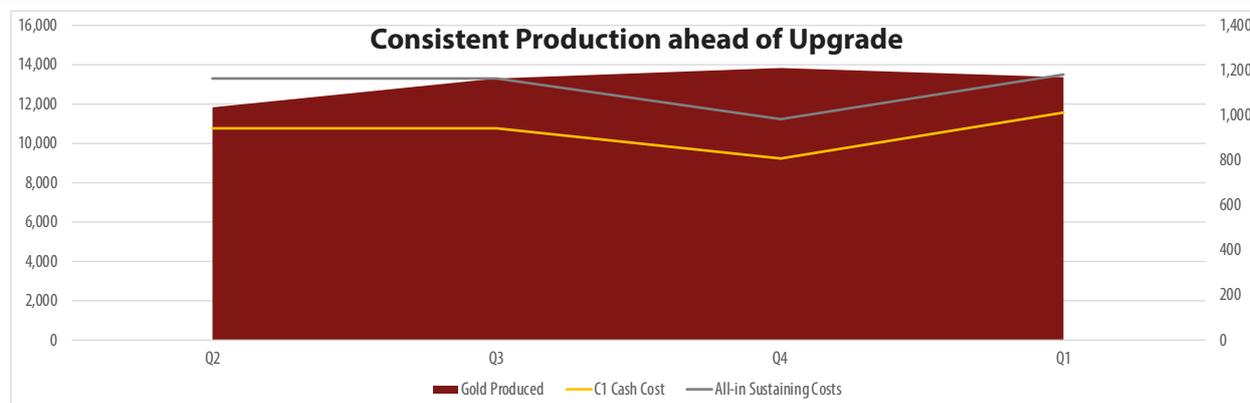
The March quarter resulted in steady production of approximately 150 ounces per day throughout the period. Production of 13,385 ounces was achieved with the Nicolsons processing facility continuing to operate reliably at throughput rates equivalent to 240,000 tonnes per annum.

ASIC was \$1,183 for the quarter. The increase in AISC was primarily the result of stockpile adjustments which added \$177 per ounce during the period. Pre-stockpile adjusted C1 production costs were \$838 per ounce reflecting reduced costs following the completion of open pit mining at Wagtail.

Operational costs were increased at Nicolsons underground mine to facilitate the commencement of the production ramp up at Nicolsons. The additional manning and equipment employed during the quarter will result in lowering the AISC during future quarters as production from the site ramps up. Additional grade control drilling of the upper levels of the Johnston Lode was also undertaken to optimise development of the upper areas in the southern part of the mine.

The mine remained strongly cashflow positive despite the major capital projects and production increases underway. Capital re-investment in the mine and exploration was \$7.2M during the quarter:

Physical Summary	FY 2017	FY 2018		
	Q4	Q1	Q2	Q3
UG Ore Mined	40,446	43,904	41,846	54,109
UG Grade Mined	7.22	7.77	8.76	6.66
OP BCM Mined	316,916	205,862	97,671	-
OP Ore Mined	31,980	29,385	29,226	-
OP Grade Mined	4.18	5.28	5.23	-
Ore Processed	55,425	58,723	60,443	56,729
Head Grade	7.06	7.60	7.67	7.96
Recovery	94.1%	92.5%	92.9%	92.2%
Gold Produced	11,828	13,282	13,841	13,385
Cost Summary (\$/oz)				
Production costs	\$994	\$904	\$886	\$838
Stockpile Adjustments	-\$50	-\$51	-\$77	\$177
C1 Cash Cost	\$944	\$853	\$809	\$1,014
Royalties	\$45	\$30	\$42	\$42
Marketing/Cost of sales	\$5	\$4	\$5	\$4
Sustaining Capital	\$164	\$123	\$128	\$115
Corporate Costs	\$10	\$9	\$7	\$7
All-in Sustaining Costs	\$1,165	\$1,019	\$990	\$1,183
Major Project Capital	\$213	\$223	\$162	\$279
Exploration Cost	\$38	\$125	\$157	\$141
Project Capital	\$251	\$348	\$319	\$420

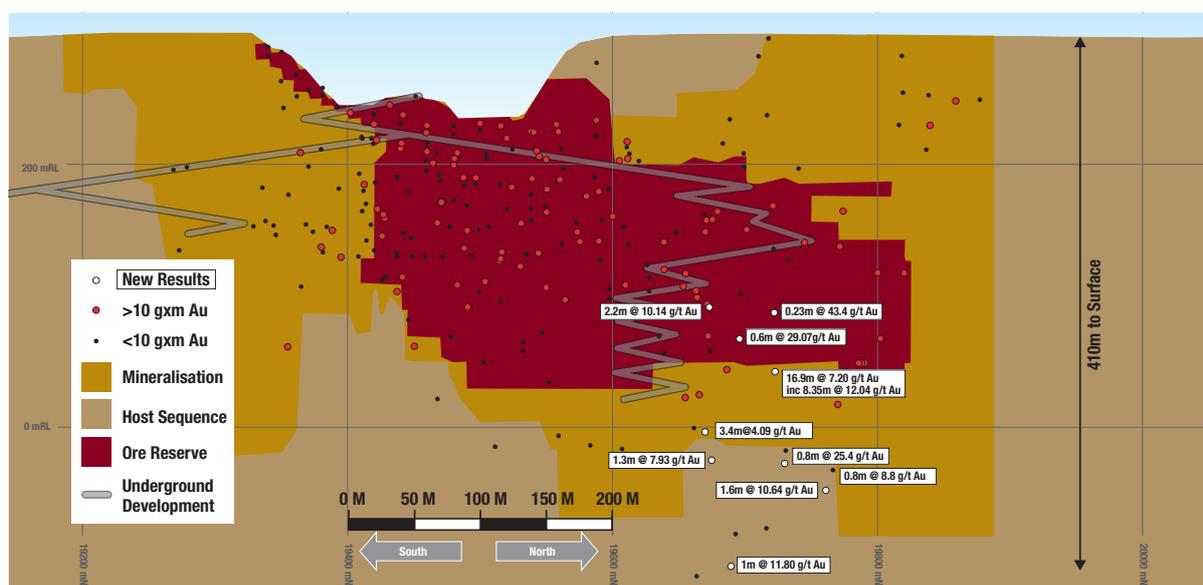


Nicolsons Underground Mine

Nicolsons has continued to deliver outstanding results at depth in the Hall/Anderson Lodes and in the upper development levels of the southern Johnston Lode. Mine development has now progressed below the current Ore Reserve base in the Hall/Anderson Lodes, and drilling has demonstrated continued high grade results to 410 metres. The drilling at depth is approximately 130 metres below the current Ore Reserve base. Drilling results in the Hall/Anderson Lode returned during the quarter included:

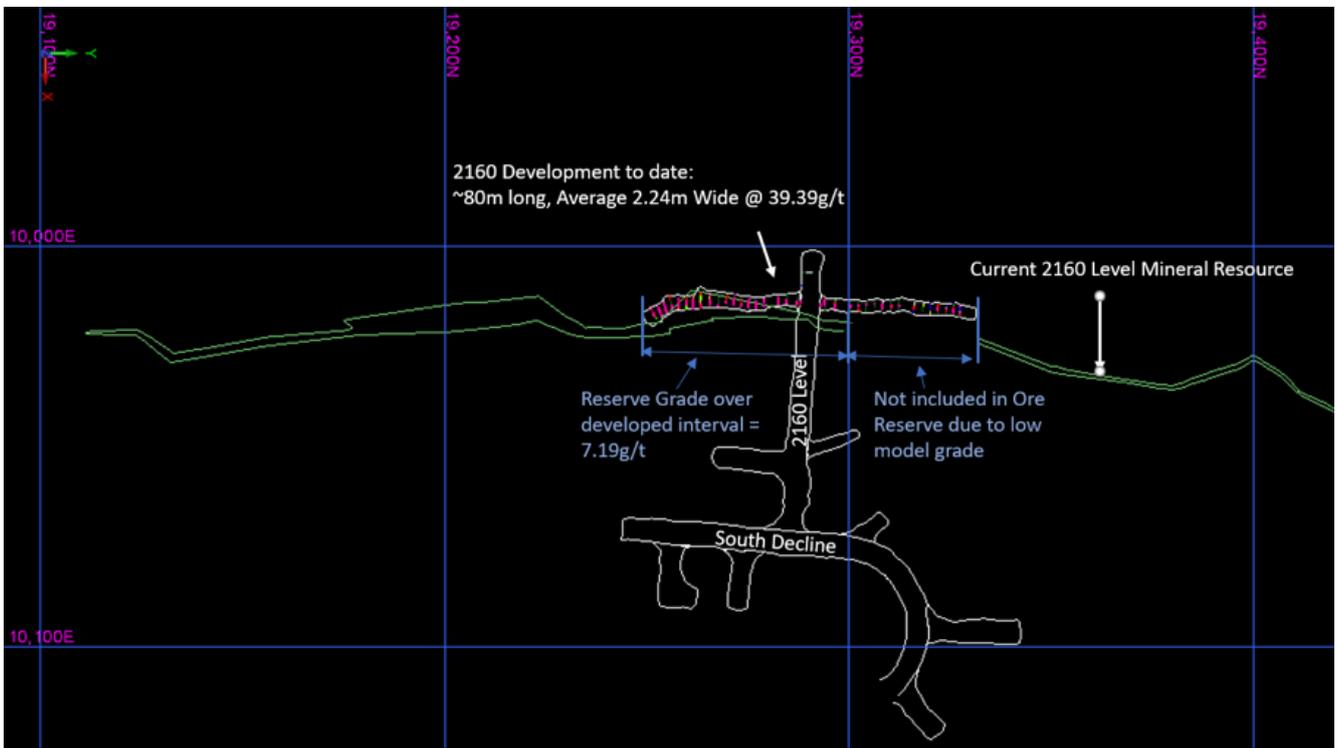
- 16.9 m @ 7.20 g/t Au (TW 4.56m) including 8.35 m @ 12.04 g/t Au.
- 1 m @ 11.80 g/t Au.
- 1.6 m @ 10.64 g/t Au.
- 1.3 m @ 7.93 g/t Au inc. 0.7 m @ 13.90 g/t Au.
- 0.8 m @ 25.40 g/t Au.
- 0.8 m @ 8.80 g/t Au.
- 0.7 m @ 14.10 g/t Au.

Please refer to Pantoro's ASX Announcement of 26 March 2018 for full details.



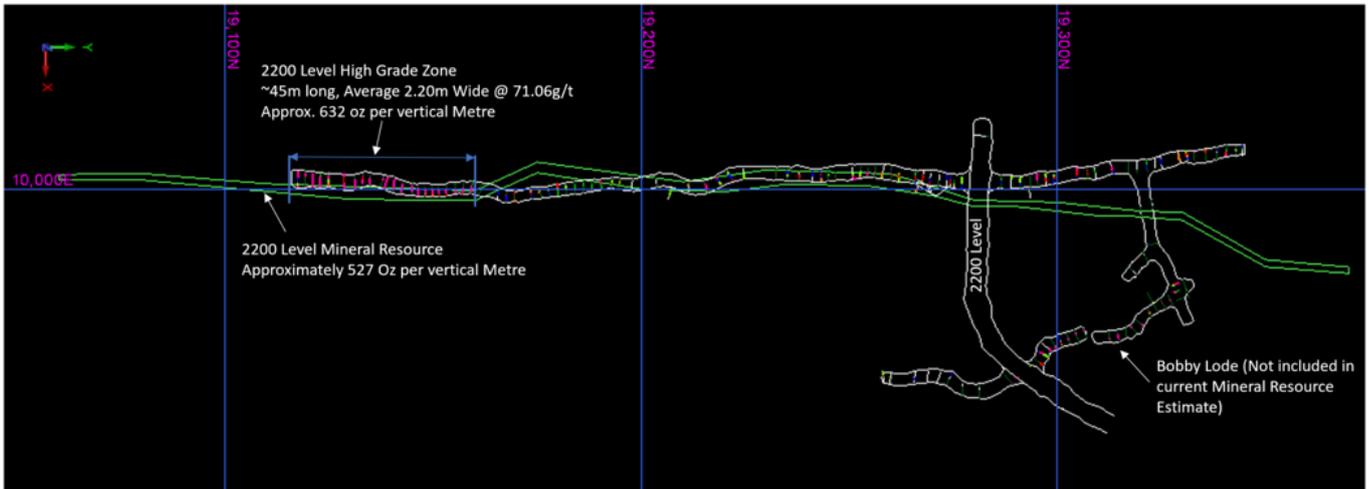
Hall/Anderson Lode Schematic Long Section

Early development in the upper zones of the Johnston Lode has demonstrated the strong potential for substantial over call to the current Ore Reserve with very high grade zones developed. Development on the 2160 level (the deepest level currently being developed from the Southern Decline) has displayed exceptional results well in excess of the current model. During the quarter, Pantoro reported that it had developed a zone 80 metres along strike, returning an average ore width of 2.24 m at an uncut weighted average grade of 39.39 g/t Au. The zone equates to approximately 636 ounces per vertical metre, compared with the Johnston Lode Mineral Resource over the same strike length on the 2160 level of approximately 197 ounces per vertical metre. The current Johnston Lode Mineral Resource for the entire level is approximately 611 ounces per vertical metre.



Plan View of 2160mRL developed from the South Decline

A similar very high grade zone was reported over 45 metres on the 2200 Level. The 45 metre zone which had been returned an average ore width of 2.20m at an uncut weighted average grade of 71.06 g/t Au. This high-grade zone equates to approximately 632 ounces per vertical metre compared with the total Johnston Lode Mineral Resource for the level of approximately 527 ounces per vertical metre.



Plan View of 2200mRL developed from the South Decline

In addition to the outstanding development results in the Johnston Lode, grade control and exploration drilling have confirmed high grades around this current development, and to the northerly plunge of the ore body in the depth extensions to the lode. Best results included:

- 3.8 m @ 58.36 g/t Au Inc. 2.4 m @ 91.7 g/t Au.
- 1.10 m @ 51.06 g/t Au.
- 0.95 m @ 37.48 g/t Au.
- 2 m @ 12.21 g/t Au.
- 0.35 m @ 22.70 g/t Au.

Processing Plant

The processing plant continued to operate a 240,000 tonne per annum run rate with a total throughput of 56,729 tonnes at an average head grade of 7.96 g/t. Recovery was steady at 92.2%. Production has continued to operate at full capacity despite the major upgrade work currently being undertaken.

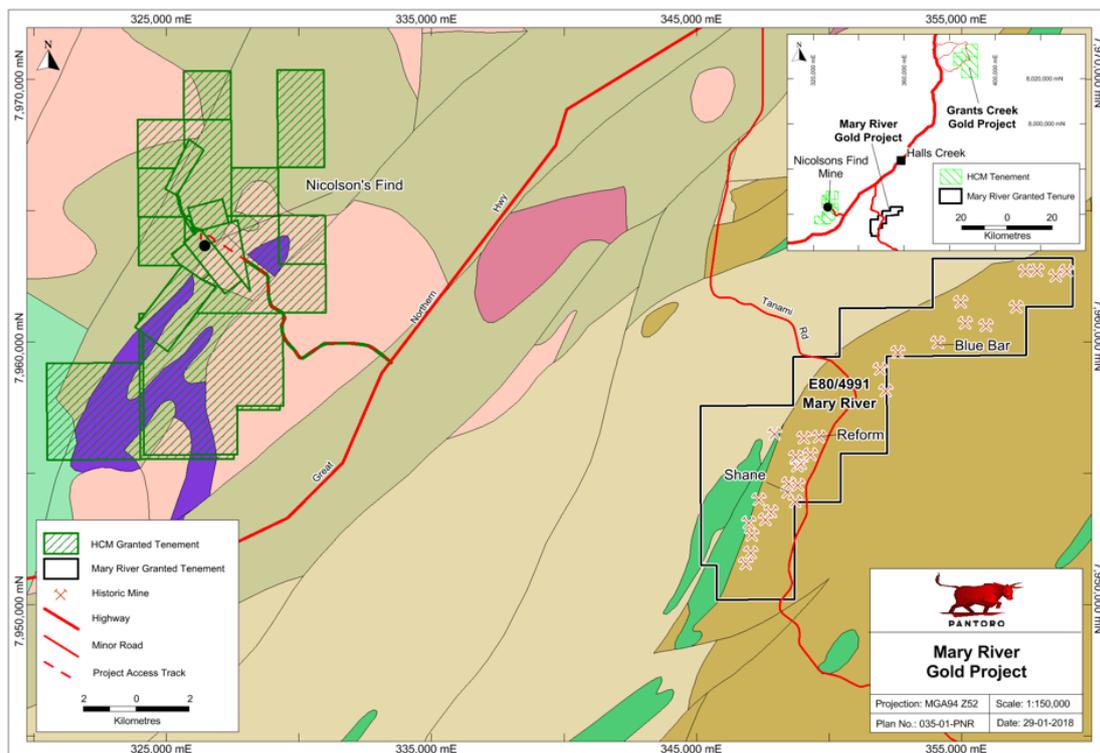
Procurement of all items required for the ore sorting and fixed tertiary crushing was completed during the quarter, and installation was significantly advanced. Calibration and commissioning of the ore sorter commenced during the last week of April 2018.

Pantoro remains focused on further increasing production output from the operation with both surface stockpiles and underground developed stocks continuing to grow. The crusher and ore sorting plant upgrade works are designed to increase production to between 80,000 and 100,000 ounces per annum by the end of 2018.

Mary River Project

Pantoro advises that it has entered into a binding agreement to acquire the Mary River Gold Project (E80/4991) near Halls Creek in Western Australia through its wholly owned subsidiary, Halls Creek Mining Pty Ltd on 16 January 2018.

The Mary River Project is located approximately 21 km SSW of Halls Creek and is easily accessible via the Great Northern Highway and the Tanami Road. The distance by existing roads to the Nicolson's processing plant is approximately 50 km, with significantly shorter direct routes possible.



Plan showing the Mary River project with Nicolson's and Grants Creek projects shown inset

E80/4991 encompasses the majority of the historical Mary River Goldfield which is approximately 15km long x 3km wide. The area has a mining history dating back to 1885 with a large number of small-scale hard rock excavations, along with eluvial and alluvial mines having operated during the areas history. Large scale alluvial mining was undertaken as recently as the 1990's.

Despite the long mining history in the area, Mary Creek remains largely un-explored by modern techniques. Few deposits have been drilled, and where drilling has been undertaken, it has been extremely limited. Despite this, historical pre-JORC results available on government databases suggest that very high grade intersections have been achieved.

The addition of Mary River and Grants Creek tenement areas to Pantoro's Halls Creek tenement portfolio during the past 6 months has effectively tripled the area of highly prospective areas held in the region. The new project present both advanced exploration deposits at Grants Creek, and a pipeline of early stage exploration prospects within both areas. With the current wet season nearing completion, Pantoro is preparing for an expanded regional exploration program during the coming year.

Full details were reported in an ASX release on 16 October 2017 titled "Pantoro Acquires Grants Creek Project Near Halls Creek".

Papua New Guinea Projects

Garaina Project (EL1614 and EL 2013), Morobe Province, Papua New Guinea (100%)

The Garaina Project is Pantoro's main exploration target in PNG, located 100 km southeast of the Hidden Valley Mine and Wau Town, in the Morobe province, covering an area of approximately 380 km². The tenement area covers the suture zone between the Owen Stanley Metamorphic thrust to the west and the Papuan Ultramafic to the east. Most of the EL is underlain by the Owen Stanley metamorphic complex, which is common to the majority of the known major mineral deposits in PNG.

PNR discovered significant surface mineralisation at the Kusi Prospect in January 2011 and since that time has completed extensive exploration programs with exciting surface exploration and drilling results.

Field campaigns have identified mineralisation and alteration signatures similar to those seen at the Kusi Prospect as far north as the Sim Prospect, and as far west as the Kasuma Prospect.

Pantoro continues to assess its forward work strategy as it considers partnering or divestment options for the project.

Corporate Information

Pantoro reached a major milestone subsequent to the end of the quarter, with the final repayment of the gold pre-pay facility made to CBA on 3 April 2018. The company is now debt free, apart from normal trade creditors that are paid in accordance with operational contracts in place.

The capital structure as at 31 March 2017 is provided in the table below.

Cash & Gold	\$16.6 million. [^]
Debt	500 ounces of gold and normal trade creditors
Ordinary Shares (PNR)	784,066,810
Unlisted Options	3,333,334 (exercisable at \$0.06, various expiry dates)
Employee Options	17,610,000 (various exercise prices and expiry dates)
Performance Rights	2,750,000 (various expiry dates)

[^] Includes \$12.86M cash, 749.5 ounces in gold at mint, 919.6 ounces in dore for shipment and 527.9 ounces in gold in circuit at a closing gold price of \$1,727/oz.

Compliance Statements

Halls Creek Project – Exploration Targets, Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Scott Huffadine (B.Sc. (Hons)), a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Huffadine is a Director and full time employee of the company. Mr Huffadine is eligible to participate in short and long term incentive plans of and holds shares, options and performance rights in the Company as has been previously disclosed. Mr Huffadine has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Huffadine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Halls Creek Project - Mineral Resources & Ore Reserves

The information relating to Mineral Resources and Ore Reserves is extracted from a report entitled 'Nicolsons Project Mineral Resource and Ore Reserve Update' created on 1 June 2017 and is available to view on Pantoro's website (www.pantoro.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Wagtail Drilling Results

The information relating to drilling results at Wagtail is extracted from reports entitled "High grade drilling results at Wagtail" created on 5 April 2018 and available to view on Pantoro's website (www.pantoro.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Nicolsons Drilling Results

The information relating to drilling results at Nicolsons is extracted from reports entitled "Drilling Reveals High-grade Depth Extensions at Nicolsons" created on 26 March 2018 and available to view on Pantoro's website (www.pantoro.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements

Certain statements in this report relate to the future, including forward looking statements relating to Pantoro's financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Pantoro to be materially different from future results, performance or achievements expressed or implied by such statements. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. Other than required by law, neither Pantoro, their officers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements will actually occur. You are cautioned not to place undue reliance on those statements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Pantoro Limited

ABN

30 003 207 467

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	19,472	59,771
1.2 Payments for		
(a) exploration & evaluation	(1,913)	(5,820)
(b) development	(2,470)	(7,301)
(c) production	(8,561)	(27,438)
(d) staff costs	(3,598)	(10,987)
(e) administration and corporate costs	(296)	(916)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	55
1.5 Interest and other costs of finance paid	(7)	(14)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	2,647	7,350

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,800)	(5,924)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	300	300
	(b) tenements (see item 10)	-	-
	(c) investments	82	82
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	4	15
2.6	Net cash from / (used in) investing activities	(2,414)	(5,527)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	1,307
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	48	48
3.6	Repayment of borrowings	(4)	(4)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	44	1,351

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,556	9,672
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,647	7,350
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,414)	(5,527)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	44	1,351
4.5	Effect of movement in exchange rates on cash held	2	(11)
4.6	Cash and cash equivalents at end of period	12,835	12,835

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	9,835	7,616
5.2 Call deposits	3,000	3,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,835	10,616

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

218

-

Total amounts paid to directors including salaries, directors fees, superannuation and consulting fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	3,200	3,200
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 – Gold prepayment facility with CBA

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,000
9.2 Development	3,500
9.3 Production	8,000
9.4 Staff costs	3,800
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	17,600

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E80/4991	Acquisition of Mary River Gold Project	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Company secretary)

Date: 30 April 2018

Print name: David Okeby

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.