



**PANTORO**

# Quarterly Report

Ending 30 June 2018

## Key Highlights

### Operations

- The June quarter marked the end of a successful year from Pantoro with full year production at 52,202 ounces which was within the targeted range of 50,000 – 55,000 ounces. Annual production was up from 39,149 ounces during the previous financial year, representing 33% growth year on year. Full year all in sustaining costs were \$1130/oz.
- Production in the June quarter of 11,694 ounces. The slightly lower production than previous quarter was primarily due to unexpected mining dilution as announced to the market on the 19 June 2018. Mine grades were improved once the issues were rectified with a head grade of 9.15 g/t Au achieved during the month of June. AISC of \$1,360 per ounce resulted from the lower production during the period.
- The Wagtail underground mine received final approval on 28 May 2018 and works to commence mining were immediately advanced. The Wagtail North decline development has progressed smoothly and is approximately 80 metres from the portal position at the present time. A maiden underground Mineral Resource estimate and Ore Reserve for Wagtail was released to the market on 24 May 2018.
- Drilling during the quarter continued to deliver excellent results at Wagtail including<sup>^</sup>:
  - 1.0 m @ 11.80 g/t Au.
  - 1.6 m @ 10.64 g/t Au.
  - 2.2 m @ 10.14 g/t Au.
  - 1.3 m @ 7.93 g/t Au inc. 0.7m @ 13.90 g/t Au.
  - 0.8 m @ 25.40 g/t Au.
  - 1.0 m @ 11.80 g/t Au.
  - 1.6 m @ 10.64 g/t Au.
  - 2.2 m @ 10.14 g/t Au.
  - 1.3 m @ 7.93 g/t Au inc. 0.7m @ 13.90 g/t Au.
  - 0.8 m @ 25.40 g/t Au.
- A number of the high grade intersections are well outside of the current Wagtail Ore Reserve, providing excellent potential for further upgrades in the deposit.
- Several major capital upgrade projects were completed during the quarter. Installation and commissioning of the Steinert ore sorter was a major site focus during the period. The ore sorter will be the primary facilitator of continued production increases during the coming year as Wagtail ore is introduced to the mill feed.

### Corporate

- Pantoro made the final delivery under the CBA gold prepay facility on 3 April 2018. The company is now debt free apart from usual trade creditors.
- The large number of capital upgrade projects completed during the quarter resulted in expenditure of \$4.7 million. The operation continued to operate well during the projects construction period and the company had \$14.9 million in cash and gold at the end of the quarter.

### Enquiries

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<sup>^</sup> Full details were reported in ASX releases on 5 April 2018 titled “High grade drilling results at Wagtail and on 19 June 2018 titled High grade drilling at Wagtail and Operations update”.

**Pantoro Limited**  
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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 ounces per annum in the near term.

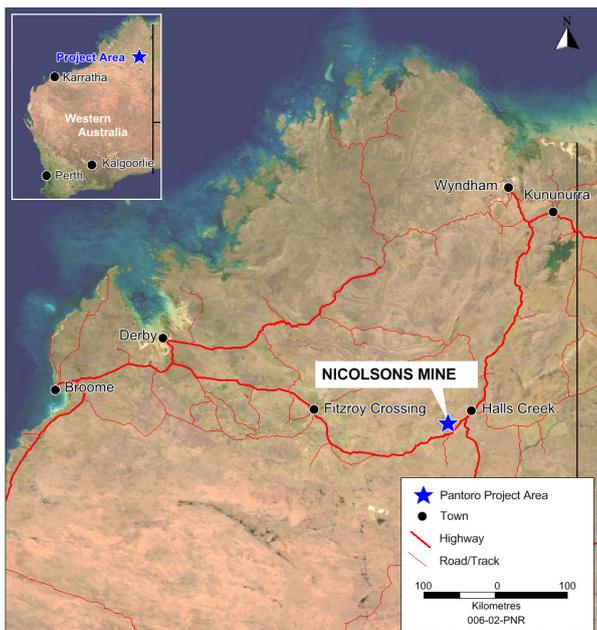
In addition to the Halls Creek Project, Pantoro holds exploration tenements in Papua New Guinea. The tenement package includes the Garaina Prospect in the Morobe Province, where Pantoro has discovered a large surface copper and gold anomaly, which has been further delineated by geophysical surveys, grid 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.



*The Nicolsons Processing Facility*

# 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 minimise pre-production capital and to aggressively grow production and the mine Mineral Resource base utilising 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. The company continues to invest heavily in exploration, with high grade gold intersections returned over 400 m below surface. An updated Mineral Resource and Ore Reserve is being calculated.

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 June 2018 quarter saw a large number of capital projects completed ahead of further production upgrades at Nicolsons. Total production for the quarter was 11,694 ounces at an AISC of \$1,360. A further \$8.7 million was re-invested into the capital upgrade projects, initial Wagtail development, establishment and exploration.

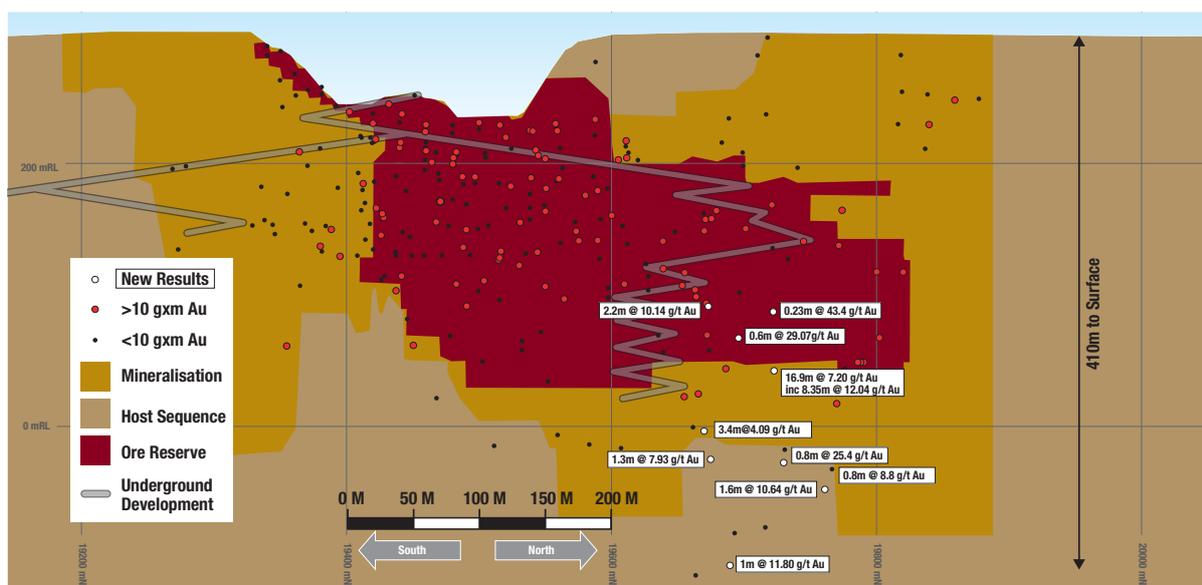
AISC during the quarter was affected by lower production during April and May 2018. The lower production was reported to the ASX on 19 June 2018 and further details are set out in the Nicolsons Mine section of this report. The site operations team remains focused on increasing production in coming quarters and targeting AISC below \$1,000/Oz. The capital works undertaken during the past quarter have established the platforms required to facilitate further growth to the targeted production of 80,000 to 100,000 ounces per annum.

	FY 2018			
Physical Summary	Q1	Q2	Q3	Q4
UG Ore Mined	43,904	41,846	54,109	58,113
UG Grade Mined	7.77	8.76	6.66	6.66
OP BCM Mined	205,862	97,671	-	-
OP Ore Mined	29,385	29,226	-	-
OP Grade Mined	5.28	5.23	-	-
Ore Processed	58,723	60,443	56,729	54,998
Head Grade	7.60	7.67	7.96	7.20
Recovery	92.5%	92.9%	92.2%	91.6%
Gold Produced	13,282	13,841	13,385	11,694
<b>Cost Summary (\$/oz)</b>				
Production costs	\$904	\$886	\$837	\$1030
Stockpile Adjustments	-\$51	-\$77	\$177	\$86
<b>C1 Cash Cost</b>	<b>\$853</b>	<b>\$809</b>	<b>\$1,014</b>	<b>\$1,116</b>
Royalties	\$30	\$42	\$42	\$42
Marketing/Cost of sales	\$4	\$5	\$4	\$5
Sustaining Capital	\$123	\$128	\$115	\$188
Corporate Costs	\$9	\$7	\$7	\$9
<b>All-in Sustaining Costs</b>	<b>\$1,019</b>	<b>\$990</b>	<b>\$1,183</b>	<b>\$1,360</b>
Major Project Capital	\$2.96M	\$2.25M	\$3.74M	\$6.67M
Exploration Cost	\$1.66M	\$2.71M	\$1.90M	\$2.04M
<b>Project Capital</b>	<b>\$348</b>	<b>\$319</b>	<b>\$420</b>	<b>\$744</b>

## Nicolsons Underground Mine

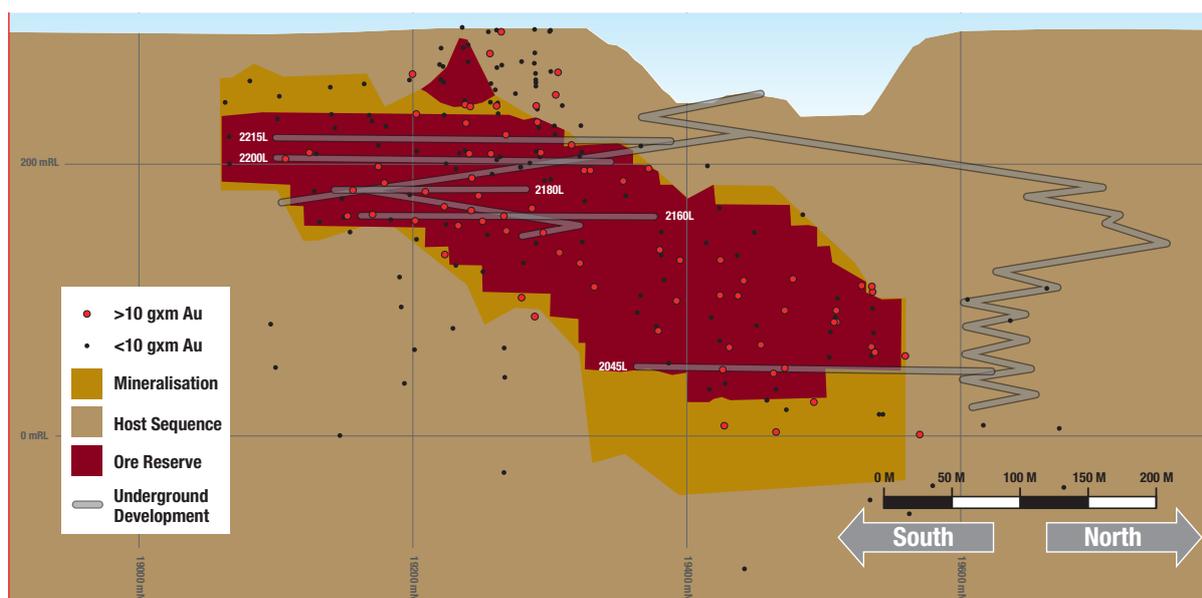
The Nicolsons Underground Mine has continued to be the primary ore source for the site throughout the quarter. The company advised that production was expected to be below target in an announcement to the ASX on 19 June 2018. The lower output was partially caused by unexpected mining dilution in some areas of the mine during April. The operations team acted swiftly to modify mining methods during May, and production was increased to expected levels in the month of June as a result.

The northern side of the mine is currently developed to the 2005 Level, approximately 300 metres below surface. Pantoro previously reported high grade drilling to depths of more than 400 metres below surface on 26 March 2018. Pantoro will continue to test for additional ore lodes and extend the depth extent of known mineralisation at Nicolsons through ongoing drilling from underground platforms throughout the coming year. Development in the northern side of the mine is ongoing.



*Hall/Anderson Lode Schematic Long Section*

The Johnston Lode in the south of the mine has continued to provide high grade ore during the quarter. The Johnston Lode has only been developed on four levels to date, and stoping in the area is yet to commence. This area contains a large proportion of the current Indicated Mineral Resource and will be a key development and production focus during the coming year as production is increased. The Johnston Lode is now being accessed from both the south and north declines at Nicolsons.



*Johnston Lode Schematic Long Section*

## Wagtail Underground Mine

Pantoro received the final approvals required to commence underground mining at Wagtail on 28 May 2018. Works commenced immediately upon approval and the first decline development round was fired on 19 June 2018.

Ground conditions to date have been good as expected, and development is progressing in accordance with plan. The initial development is from the Wagtail North open pit, with development from Wagtail South to commence during the coming months.

Small adits accessing ore left in the pit walls in both Wagtail North and Wagtail South were commenced subsequent to the end of the quarter, with small amounts of ore delivered to the processing plant during July. Substantial ore development is expected during the December 2018 quarter, facilitating the planned production upgrades for the operation.



*Portal development at Wagtail North*

Pantoro released a maiden underground Mineral Resource and Ore Reserve for Wagtail on 24 May 2018 in an announcement titled "Wagtail Underground Mineral Resource and Ore Reserve". The current Mineral Resource and Ore Reserve is shown in the table below.

The Mineral Resource estimate and Ore Reserve calculation is shown in Table 1 below.

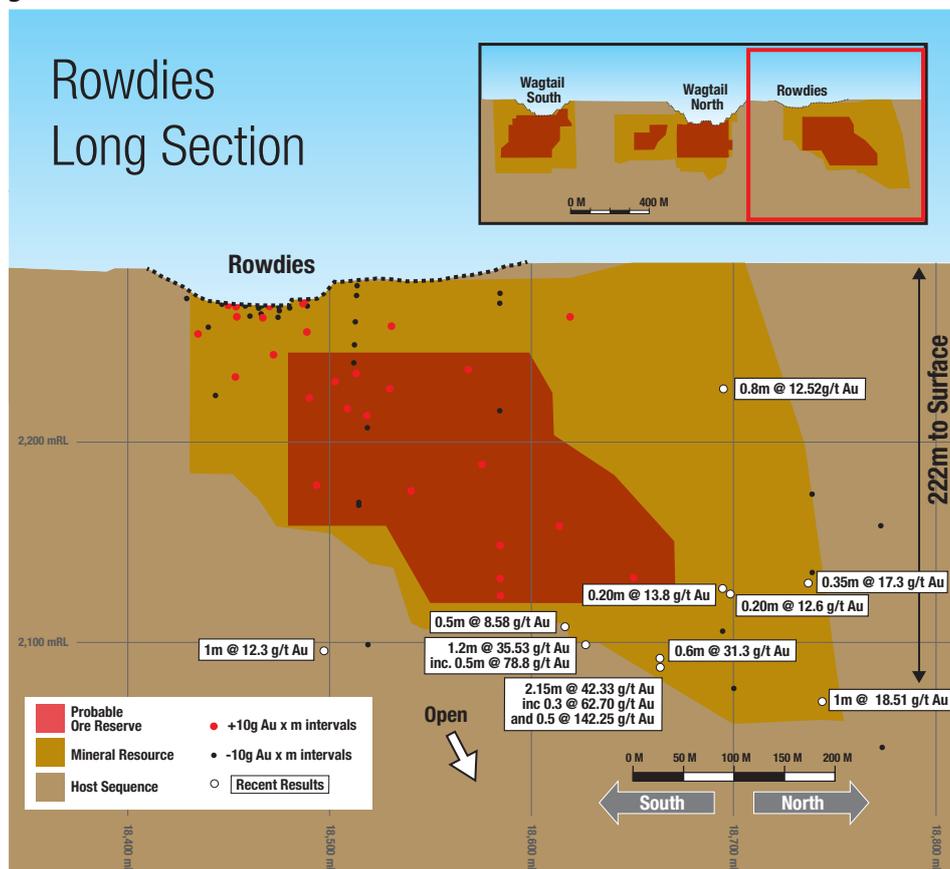
Mineral Resource	Tonnes	Grade (g/t Au)	Ounces
Indicated	450,000	6.8	98,000
Inferred	124,000	7.0	28,000
<b>Total Mineral Resource</b>	<b>574,000</b>	<b>6.8</b>	<b>126,000</b>

Ore Reserve	Tonnes	Grade (g/t Au)	Ounces
Proven	-	-	-
Probable	356,000	5.4	62,000
<b>Total Ore Reserve</b>	<b>356,000</b>	<b>5.4</b>	<b>62,000</b>

*Table 1 – Mineral Resource Estimate at 2.5 g/t Au cut off grade and Ore Reserve Calculation*

Additional drilling at Wagtail following the release of the maiden Mineral Resource demonstrated the presence of high grade mineralisation well outside of the current extents of the Ore Reserve and highlight the excellent growth potential for the deposit. Additional drilling results were released to the ASX on 19 June 2018 in an announcement titled “High grade drilling at Wagtail and operations update”. Assay results received included:

- 2.15 m @ 42.33 g/t Au inc. 0.3 m @ 62.7 g/t Au and 0.5 m @ 142.25 g/t Au.
- 1.2 m @ 35.53 g/t Au inc. 0.5 m @ 78.8 g/t Au.
- 0.6 m @ 31.3 g/t Au.
- 1.0 m @ 12.3 g/t Au.
- 0.8 m @ 12.52 g/t Au.



Wagtail has similar characteristics to the Nicolson's orebody, and Pantoro is confident that it will achieve ongoing growth at the operation as development and drilling progresses.

## Processing Plant

Nicolsons processing plant continued to operate reliably with 54,998 tonnes processed at an average recovery of 92%. Processed tonnes were slightly below the previous quarters due to minor delays associated with tie in of the new ore sorter and crushing circuit. Considering the magnitude of the project, the minimal disruption to ore processing was an excellent result.



Ore Sorter product belt feeding tertiary crusher



Ore Sorter in operation

The ore sorter performance to date has been as expected. Ore handling infrastructure optimisation is ongoing with minor modifications being made to the circuit. Fulltime operation of the ore sorter is expected during August ahead of delivery of ore from Wagtail.

## Exploration

Pantoro has continued to aggressively explore its tenement holdings during the quarter with drilling programs undertaken at Nicolsons and Wagtail deposits and Paddock Well and Edison prospects. Apart from the assays reported at Wagtail, results are pending.

Pantoro also completed drill preparation for its initial ten hole campaign at the Mary River Project. The Mary River drilling is the first substantial drilling undertaken in the historical goldfield. The drill program was completed subsequent to the end of the quarter with results pending. Initial drilling programs for Grants Creek are planned to commence during the upcoming quarter subject to finalisation of site access.

In addition to drilling programs, Pantoro is currently undertaking a tenement scale grid based soil sampling program at the Nicolsons Project with approximately 3,000 samples taken to date. The sampling program is expected to be completed during the coming quarter and will be utilised in conjunction with geophysical data to define additional drilling targets.

Preparations are also being made to complete full tenement airborne geophysical surveys at both Grants Creek and Mary River. The surveys are expected to be completed prior to the next wet season.

## Papua New Guinea Projects

### Garaina Project (EL2518), 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 km<sup>2</sup>. 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 during the quarter, with the final repayment of the gold pre-pay facility made to the Commonwealth Bank 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 company structure as at 30 June 2018 is provided in the table below.

<b>Cash &amp; Gold</b>	\$14.9 million <sup>^</sup>
<b>Debt</b>	Nil
<b>Ordinary Shares (PNR)</b>	789,375,144
<b>Employee Options</b>	16,885,000 (various exercise prices and expiry dates)
<b>Performance Rights</b>	2,500,000 (various expiry dates)

<sup>^</sup> Cash and gold includes \$11.8 million cash, zero gold at mint, 1,319.5 ounces gold in safe and 541.1 ounces GIC at closing price of \$1,692/oz.

## Interests in Mining Tenements

The following information is made available in accordance with ASX Listing Rule 5.3.3.

### Tenements held at the end of the Quarter

Halls Creek, Western Australia	Status	Interest %
E80/5062	Application	100%
E80/5120	Application	100%
E80/5150	Application	100%
E80/5185	Application	100%
L80/94	Application	100%
P80/1857	Application	100%
E80/2601	Granted	100%
E80/3861	Granted	100%
E80/4458	Granted	100%
E80/4459	Granted	100%
E80/4952	Granted	100%
E80/4958	Granted	100%
E80/4991	Granted	100%
E80/5003	Granted	100%
E80/5004	Granted	100%
E80/5005	Granted	100%
E80/5006	Granted	100%
E80/5054	Granted	100%
L80/70	Granted	100%
L80/71	Granted	100%
M80/343	Granted	100%
M80/355	Granted	100%
M80/359	Granted	100%
M80/362	Granted	100%
M80/471	Granted	100%
M80/503	Granted	100%
P80/1842	Granted	100%
P80/1843	Granted	100%
P80/1844	Granted	100%
P80/1845	Granted	100%
P80/1846	Granted	100%
Papua New Guinea	Status	Interest %
EL 2518	Granted	100%
EL 2321	Granted	100%

## Tenements Acquired/Disposed during the Quarter

Papua New Guinea	Status	Interest %
EL 2518 (Acquired)	Granted	100%
EL 1614 (Disposed)	Replaced by EL 2518	0%
EL 2013 (Disposed)	Replaced by EL 2518	0%
EL 1629 (Disposed)	Option to acquire 100% expired	0%

## 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 reports entitled 'Nicolsons Project Mineral Resource and Ore Reserve Update' created on 1 June 2017 and 'Wagtail Underground Mineral Resource and Ore Reserve' created on 19 May 2018 and available to view on Pantoro's website ([www.pantoro.com.au](http://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 announcements 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 announcements 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 announcements.

### 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 'High grade drilling at Wagtail and operations update' created on 19 June 2018 and available to view on Pantoro's website ([www.pantoro.com.au](http://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 announcements. 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 announcements.

### 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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	20,005	79,776
1.2 Payments for		
(a) exploration & evaluation	(2,110)	(7,930)
(b) development	(4,141)	(11,442)
(c) production	(6,544)	(33,982)
(d) staff costs	(4,067)	(15,054)
(e) administration and corporate costs	(353)	(1,269)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	72
1.5 Interest and other costs of finance paid	(16)	(30)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,791</b>	<b>10,141</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4,731)	(10,655)
(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**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	300
	(b) tenements (see item 10)	-	-
	(c) investments	-	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	19
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4,727)</b>	<b>(10,254)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	279	1,586
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	774	822
3.6	Repayment of borrowings	(197)	(201)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>856</b>	<b>2,207</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,835	9,672
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,791	10,141
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,727)	(10,254)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	856	2,207
4.5	Effect of movement in exchange rates on cash held	4	(8)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>11,759</b>	<b>11,759</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	11,754	9,835
5.2 Call deposits	5	3,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,759</b>	<b>12,835</b>

**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**

216

-

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**

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
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

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	2,000
9.2 Development	4,500
9.3 Production	7,000
9.4 Staff costs	4,200
9.5 Administration and corporate costs	300
9.6 Other (PP&E)	2,500
<b>9.7 Total estimated cash outflows</b>	<b>20,500</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL1614	Replaced by EL2518.	100%	0%
	EL2013		100%	0%
	EL 1629	Option to acquire expired	Option to acquire 100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EL2518	Replacement tenement granted over Garaina 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:

  
.....  
(Company secretary)

Date: 30 July 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.