



ASX Announcement
15 April 2019

Pantoro Building Cash with Production Upgrade Activities Advancing

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide the following update on operations at Halls Creek.

- The company had \$23.2 million* in cash and gold at the end of the quarter compared with \$21 million at the end of the previous quarter.
- Mining operations continued to deliver strong margins with cost reductions realised at Nicolson's. Operating cashflow for the period was \$7.8 million, and free cashflow after major capital project and exploration costs was \$1.9 million. This was a strong result given the extensive development works underway at Wagtail north underground and Wagtail South open pit. Total production for the quarter was 11,280 ounces of gold, and AISC was \$1,217.
- Outstanding drilling results down plunge and entirely outside of the current Mineral Resource at Nicolson's indicating ongoing Mineral Resource upgrades and mine life. Results included[^]:
 - » 3.55m @ 95.89 g/t inc 1m @ 317.0 g/t Au.
 - » 2.43m @ 53.64 g/t inc 0.75m @ 114.0 g/t Au.
 - » 4.60m @ 49.52 g/t Au.
 - » 2.22m @ 33.45 g/t inc. 0.3m @ 80.8 g/t Au.
 - » 4.90m @ 12.19 g/t inc. 1.05m @ 51.27 g/t Au.
- Capital development of Wagtail underground mine continued throughout the quarter with ore development on the 2200 level and access drives approaching Rowdies and Wagtail North on the 2185 level by the end of the quarter. The decline face position is approximately 45 metres from the third level access on the 2170 level.
- The Wagtail North underground Ore Reserve was increased by 20% to 74,000 ounces[^] following inclusion of recent Rowdies drilling results into the Mineral Resource estimate, furthering the ongoing upgrades that the Nicolson's Project has achieved throughout the operations life since mining commenced in 2015.
- Grade in early ore development on the 2200 Level at Wagtail has been outstanding with 2,996 tonnes @ 10.84 g/t Au recorded during the period. Mined tonnes are below forecast as additional drilling has been undertaken periodically during development to ensure that the correct structures are accessed in the initial levels of the mine.
- Approval to commence the Wagtail South cutback was achieved ahead of expectation on the 18th February 2019, and works commenced immediately. Open pit mining continued for the remainder of the quarter. Wagtail south is expected to be cashflow positive from June 2019.
- Ore sorting has continued to achieve excellent results and has been used primarily for lower grade material during the period. As ore supply increases from Wagtail, the full benefit of ore sorting will be realised. Pantoro remains on track to achieve its increased annualised production target rate of +80,000 ounces around the middle of CY 2019.

* Includes \$19.8 million cash, 1,888 ounces in safe and GIC @ \$1,827/ounce.

[^] Full results are contained in releases to the ASX on 5/3/2019 titled "Wagtail Mineral Resource, Ore Reserve and Operations Update", and 18/3/2019 titled "Outstanding Drill Results Extend Mineralisation at Nicolson's".

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Commenting on the quarterly results, Managing Director Paul Cmrlec said:

“The continuing cash build during the quarter has been pleasing given the extensive mine development works that are ongoing both in underground and open pit mine extensions. The site team is to be commended for the tight cost management displayed throughout the period which was an excellent outcome considering that two underground mines and an open pit cut back are now in operation.

The company has done the hard work in preparing for anticipated production upgrades, with all major items now in place, and access to ore at both Wagtail North underground and Wagtail South open pits increasing each month that the development continues.”

Enquiries

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Exploration Targets, Exploration Results, Mineral Resources

The information is extracted from the report entitled ‘Outstanding Drill Results Extend Mineralisation at Nicolsons’ created on 18 March 2019 and is available to view on Pantoro’s website (www.pantoro.com.au) and the ASX (www.asx.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.

Mineral Resources and Ore Reserves

The information is extracted from the report entitled ‘Wagtail Mineral Resource, Ore Reserve and Operations Update’ created on 5 March 2019 and is available to view on Pantoro’s website (www.pantoro.com.au) and the ASX (www.asx.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.

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.