



**ASX Announcement**  
8 July 2019

## Quarterly Production Update

Pantoro Limited (**ASX:PNR**) (**Pantoro**) provides the following quarterly update on activities ahead of releasing the full quarterly report.

### Corporate

- The company had \$56 million\* in cash and gold at the end of the quarter following a successful capital raising to fund acquisition and project advancement activities at the Central Norseman Gold project. The company is debt free apart from normal trade creditors.

### Halls Creek Project

- A total of 9,557 ounces of gold were produced during the quarter. Costs are still being finalised and will be advised in the full quarterly report. Capital spent during the quarter including the pre strip of the Wagtail South open pit cut back, a surface ventilation rise at Wagtail North underground and a tailings facility lift.
- Nicolson's mine has progressed to the 2140 Level on the North Decline, and the 2110 Level on the South Decline. Both areas are outside of the current Ore Reserve which is to be updated during the current quarter. Drilling continues to indicate strong grades well below the development and current Ore Reserve. Nicolson's was impacted by underground loader availability during May and June. Additional loaders were sourced to allow for repairs to major components on the existing fleet, however the replacement machines did not arrive on site until mid-June.
- Capital development of Wagtail underground mine continued with approximately 830 metres developed during the quarter. Access drives are approaching the ore position on the third level (1970 mRL) and the cross cut is advancing on the fourth level (2155 mRL).
- The Wagtail South open pit has advanced in line with schedule and reached the top of the main ore shoot by the end of the quarter. Wagtail South is expected to be a significant contributor to production during the coming two quarters as the main veins are fully exposed and mined. Wagtail South contributed approximately 600 ounces during the quarter with the pre-strip now completed. Wagtail South is expected to produce between 4,000 and 5,000 ounces during the September quarter, and will contribute significantly to increased production rates at the site during the coming period.
- Transition to production at Wagtail North underground has been slower than anticipated as the site operations team focusses on ensuring that access is established on the primary ore veins. Ore zones in sections of the first levels have been complex, and additional drilling has been undertaken to better ascertain development positions.
- As advised in the March quarterly report, processing was down for six days at the start of April, and major works including changing of mill bearings and journals, and the mill motor and gear box was undertaken.

### Central Norseman Project

Pantoro announced the acquisition of 50% of the Central Norseman Gold Project on 14 May 2019, and has assumed management control of the project. Full details of the acquisition are provided in ASX releases titled "Pantoro Acquires a 50% share in the Central Norseman Project" and "Strategic Transaction and Capital Raising Presentation" on the 14th and 15th of May respectively.

\*Includes \$53.6m cash, 1152 ounces in safe and GIC @ \$2,009/oz.

**Pantoro Limited**  
ABN 30 003 207 467

t: +61 8 6263 1110 | e: [admin@pantoro.com.au](mailto:admin@pantoro.com.au) | w: [www.pantoro.com.au](http://www.pantoro.com.au)  
PO Box 1353 West Perth WA 6872 | 1187 Hay Street, West Perth WA 6005

- Pantoro has awarded drilling contracts for the first 40,000 metres of drilling, and expects to commence extensional and infill drilling programs in the initial focus areas late in July 2019. Initial drilling is focussed on immediate open pit mining opportunities. Planning for drilling programs at the OK underground mine is also underway. Pantoro is focussed on bringing multiple mining centres to mining ready status ahead of production activities to underwrite long term viability of the project.
- Key personnel including the project general manager, senior project geologists, project managers, technical staff and field staff have been appointed and are transitioning into the project as they complete notice requirements in the previous positions.
- Shareholders approved the allocation of 100 million shares to Central Norseman Gold Consolidated Pty Ltd as part of the acquisition on 1 July 2019. Allotment of the shares and settlement of the acquisition is expected in the first half of July 2019 when the last of the conditions precedent are satisfied.
- The \$2.5 million deposit as well as costs relating to the capital raising and agreed joint venture expenditure of \$3.3 million were spent during the quarter. The JV expenditure related to a number of items agreed to be included in the sole expenditure component of consideration by Pantoro.

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

“Total production for the quarter and the planned ramp up to increased production rates by the end of the June quarter was below Pantoro’s expectation due to a number of factors as set out in this announcement. The primary driver to the lower production was the slower than anticipated ramp up in mining at Wagtail North in the latter part of the quarter. As a result, lower grade material mined from Nicolson’s was processed to assist in gold output.

We remain focussed on maximising production from the combination of Nicolson’s, Wagtail underground and open pit ore during the September quarter.

Pantoro is very pleased with the Norseman transaction which provides an outstanding growth opportunity for the company. The project consists of a large number of quality gold deposits, and our focus is to develop a sustainable long term mine plan during the coming twelve month period.”

## Enquiries

Paul Cmrlec | Managing Director | Ph: +61 8 6263 1110 | Email: [admin@pantoro.com.au](mailto:admin@pantoro.com.au)

## Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Pantoro’s expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Pantoro, which could cause actual results to differ materially from such statements. Pantoro makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.