



ASX Announcement
29 July 2016

Pantoro Extends Gold Prepayment Facility

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to advise that following the acquisition of the final 20% of the Halls Creek Project, which includes the high grade Nicolson's Gold Mine, it has entered into hedge contracts with the Commonwealth Bank of Australia (**CBA**) for a further 7,000 ounces of gold for delivery from December 2017 to April 2018. The hedge was put in place when gold prices spiked resulting in an average realised price of approximately A\$1,845 per ounce. CBA will convert 2,000 ounces of the hedged gold to a prepayment facility, realising a net cash advance of \$3,200,000 after fees.

In addition, CBA has agreed to defer repayments due on the existing prepayment facility to accommodate development of the high grade Rowdies and Wagtail open pits and to provide Pantoro with working capital and operational flexibility. The deferred repayments result in a net cash flow saving of approximately \$3.5 million over the coming five months.

The additional funds are to be directed to development of the Rowdies and Wagtail open pits, expansion of the Nicolson's processing facility to +200,000 tpa (from the current 130,000 tpa run rate), and resource development aimed at defining additional open pit and underground Ore Reserves in the near term.

Commenting on the restructure, Managing Director Paul Cmrlec said:

"We are delighted that CBA has continued to support our operations and growth aspirations at Nicolson's, and we are grateful for positive relationship that has developed during the start-up phase of the mine.

The grade control program for Rowdies and Wagtail open pits has commenced ahead of the anticipated commencement of mining during the next quarter. Expansion of the gold room and reconfiguration of the plant classification circuit, which is the first step in the plant expansion is underway, and we intend to add to our leaching capacity through installation of additional tanks during the coming quarters.

The continued drilling success at Nicolson's has led us to considering further future processing expansions to potentially double the expanded throughput and preliminary concept analysis is underway. We believe that Nicolson's continues to display strong potential for continued growth to become a major project in the context of the Australian gold industry."

Enquiries

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