



ASX Announcement
9 January 2017

Expansion Of Production Profile Continuing At Nicolson's

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide a summary of key events during the December 2016 quarter ahead of releasing its quarterly activities report. Key highlights during the quarter included:

Production Growth

- 9,599 ounces produced compared with 7,375 ounces in the previous quarter, representing a 30% increase.
- Record monthly gold production in December of 4,627 ounces.
- Mill throughput in December increased to 15,487 tonnes compared with an average monthly throughput of 10,785 tonnes per month in the period between July and November 2016.
- All three open pits developed and now consistently producing ore with approximately a quarter of the mill feed in December attributable to Rowdies and Wagtail. Ore characteristics in the open pits have been as expected pre-mining.
- Production ramp up to 50,000 ounces per annum run rate advancing well with further production improvements expected during the upcoming quarters.

Production Growth

- First regional drilling program completed at Paddock Well with high grade results including:
 - » 5 m @ 6.23 g/t from 55 m including 2 m @ 12.67 g/t from 58 m*
 - » 1 m @ 28.72 g/t from 72.6 m including 0.7 m @ 40.5 g/t from 72.6 m*
- Diamond drilling beneath Wagtail Open pits underway with an initial seven hole program underway and expected to be completed during the first half of the current quarter.
- Detailed aeromagnetic and radiometric survey completed over the entire tenement package in the first week of January 2017, with results expected to be available by the end of the month.

Corporate

- Cash and gold held at 31st December 2016 was \$11.7 million with significant processing plant expansion capital and open pit commencement capital expenditure now complete.
- Net debt position reduced by 400 ounces to 7,779 ounces.

Managing Director Paul Cmrlec said:

"The quantity of ore processed during December is approaching our targeted throughput rate of 200,000 tonnes per annum, and the sustained improvement during the last six months is a credit to the site team. Importantly, gold recovery at these increased throughput rates has remained above 96%. The increasing availability of open pit ore combined with ongoing production from Nicolson's should see further production increases in the upcoming quarters."

*Previously announced ASX:PNR 5 January 2017 "High Grade Drilling results at Paddock Well"

Enquiries

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Competent Persons Statement

Halls Creek Tenements – 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)) MAusIMM who is a full time employee and director of Pantoro Limited. Mr. Huffadine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Huffadine consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr. Huffadine is eligible to participate in short and long term incentive plans of and holds shares and options in the Company as has been previously disclosed.

Forward Looking Statements

This announcement may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Pantoro, the Directors and our management. Pantoro cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.