



ASX Announcement
6 September 2018

Pantoro Limited Capital Raising to Raise \$15 Million

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to announce a A\$15 million capital raising comprising:

- \$13 million in firm commitments under a placement at an issue price of 20 cents per share to professional and sophisticated investors under ASX listing rule 7.1.
- a target of \$2 million under a share purchase plan available to all existing Pantoro shareholders with a registered address in Australia or New Zealand. The Company reserves the right to accept oversubscriptions for an additional \$1 million.
- The board is pleased to offer all shareholders with a registered address in Australia or New Zealand the opportunity to participate in the capital raising via a share purchase plan at the same price of 20 cents per share to raise up to \$2 million (with the ability to accept oversubscriptions for an additional \$1 million). Pantoro will announce the formal offer and share purchase plan terms by the end of next week.
- The placement was made to existing and new domestic and international professional and sophisticated investors.
- Bell Potter Securities has acted as lead manager and book runner to the placement.
- Completion of the capital raising combined with Pantoro's existing balance sheet will ensure that the company is funded to execute its project growth strategy which includes production expansion and ongoing exploration programs within the Halls Creek Region.

The capital raising presents the first time that Pantoro has raised additional equity since construction of the Nicolson's Project. Pantoro commenced construction and operations at the Nicolson's Project during 2015, and has funded growth of the operation from cashflow generated.

Pantoro is debt free, and the final delivery under a gold pre-payment facility used to construct the mine was made in April 2018.

The funds will provide Pantoro with operational flexibility to efficiently execute its planned production growth and mine life extension activities. In particular, funds raised are intended to be utilised for the following activities:

- Acceleration of development activities at the newly established Wagtail Underground Mine. Maximisation of early production from Wagtail facilitates the targeted expansion of Pantoro's operations at Halls Creek to above 80,000 ounces per annum during the 2019 calendar year (approximately \$4 million).
- Acceleration of exploration activities at the Grants Creek Project. The company recently received the required approvals to commence on-ground works, and drilling is to commence early in September 2018 (approximately \$3 million).
- Continuing exploration at the Mary River and Nicolson's Projects during the capital-intensive phase in the establishment of the Wagtail Underground Mine (approximately \$3 million).
- Maintaining sufficient working capital and balance sheet flexibility (up to approximately \$5 million, less the costs of issue).

To the extent the Company accepts over-subscriptions under the share purchase plan, these additional funds are intended to be applied towards general working capital.

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Pantoro has a well-established plan for increasing production at Nicolsons through the addition of the Wagtail underground mine and increased production from Nicolsons mine. In preparation for the expansion Pantoro has recently completed a number of major capital projects at Nicolsons:

- Pantoro recently increased its processing capacity through the addition of a Steinert multi-sensor ore sorter. To date, the ore sorter has effectively removed waste from the mill feed consistent with laboratory testing, increasing ore grade to the mill. The ore sorter is expected to be at capacity once the Wagtail mine is in production and Nicolsons mine has increased to planned levels. The ore sorter is currently being used to upgrade low grade stocks in the interim period.
- A tailings facility expansion was completed during the current quarter, providing twelve to fifteen months capacity before another expansion is required.
- A 120 metre ventilation rise from surface was completed in the southern end of the Nicolsons Underground Mine. Life of mine surface ventilation requirements are now covered.
- Commencement of Wagtail underground development and installation of surface infrastructure.

Pantoro is pleased to welcome its new shareholders to the company, and thanks its existing loyal shareholders for their ongoing support since operations commenced in 2015.

Enquiries

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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.