



ASX Announcement
11 April 2017

Record Quarterly Production At Nicolsons Despite Heavy Rains

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide a summary of key events during the March 2017 quarter ahead of releasing its quarterly activities report. Key highlights during the quarter included:

Production Growth

- 10,348 ounces produced compared with 9,598 ounces in the December quarter, an 8% increase.
- Production output was affected by record rains during the quarter. Rainfall recorded on site during the period was 807mm compared with the long term average of 386mm.
- With rain easing substantially during the month of March, processing throughput increased to 17,550 tonnes, a run rate of 206,000 tonnes per annum.
- Open pit production further increased with approximately 16,467 tonnes mined at a grade of 5.76 g/t Au, plus 9,807 tonnes of low grade stockpiled separately. Total movement including waste was 264,000 bcm. A total of 16 full shifts and a large number of part shifts were lost in the open pits due to rainfall.
- Underground production of approximately 34,927 tonnes mined at a grade of 8.17 g/t Au plus 7,316 tonnes of low grade stockpiled separately.
- Site is well positioned to consolidate the processing plant improvements realised during the quarter with ore stockpiles building as a result of open pit mining. Additional ore sources are coming on line underground with stoping underway on the 2185 and 2170 levels, and development approaching ore positions in the Johnston Lode.

High Grade Drill Results From Wagtail Underground Target

- Initial drill results beneath the Wagtail open pits revealed continuing high grade mineralisation at depths of up to 150m. Best results included:
 - » 3.6 m @ 7.67 g/t Au from 133.0 m downhole (including 1.9 m @ 11.7 g/t Au from 133.0 m).*
 - » 2.6 m @ 6.46 g/t Au from 138.4 m downhole (including 0.35 m @ 27.1 g/t Au from 140.1 m).*
 - » 1.4 m @ 7.18 g/t Au from 146.2 m downhole (including 0.8 m @ 11.7 g/t Au from 146.2 m).*
- Regional exploration drilling was put on hold during the quarter due to the heavy rainfall experienced.
- Ongoing drilling from underground positions at Nicolsons was ongoing throughout the period. Drilling results and Mineral Resource & Ore Reserve update expected during the current quarter.

Corporate

- Net debt position reduced by 1,280 ounces to 6,500 ounces.
- Cash and gold at the end of quarter of \$11.5 million. ^

Managing Director Paul Cmrlec said:

"The production ramp up at Nicolsons has rolled on during the quarter with record production despite experiencing a huge amount of rain on site well above long term averages. The process plant is now operating at, and often above the targeted 200,000 tonne per annum run rate which should see site production output continuing to increase during the upcoming quarters."

Enquiries

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JORC Compliance Statement

The information regarding 'High Grade Drill Results From Wagtail Underground Target' is extracted from the report entitled 'Drilling Beneath Wagtail Pits Confirms High Grade Depth Extensions' created on 16 March 2017 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.

* Included in a release to the ASX on 16/3/2017 titled "High Grade Depth Extensions at Wagtail".

^ Includes \$7.73M cash, 94.9 ounces at mint and 2214.2 ounces in GIC at a closing gold price of \$1,637/oz.