



**ASX Announcement**  
15 March 2018

## Half Year Financial Report

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide a summary of its Half Year Financial Report for the period ending 31 December 2017. The full report follows this cover page.

### Key Outcomes

- Sales revenue **\$44.5M up \$20.7M** (2016: \$23.8M).
- EBITDA of **\$19.7M up \$10.7M** (2016: \$9.0M).
- **Net Profit After Tax of \$9.3M.**
- **27,123 ounces** of gold produced.

Managing Director Paul Cmrlec said:

“The board is very pleased with the ongoing growth in both gold production and profitability at Nicolsons. During the period our operations were in line our mine expansion plan and delivered a significant increase in profit. The Nicolsons team remains focussed on achieving the target of 80,000 – 100,000 ounces of production per annum by the end of the 2018 calendar year.”

### Enquiries

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**Pantoro Limited**  
ABN 30 003 207 467

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PO Box 1353 West Perth WA 6872 | 1187 Hay Street, West Perth WA 6005



# **PANTORO LIMITED**

ABN 30 003 207 467

**HALF-YEAR FINANCIAL REPORT**

**FOR THE PERIOD ENDED**

**31 DECEMBER 2017**

## CORPORATE DIRECTORY

### Board of Directors

Michael Jefferies - Non-Executive Chairman  
Paul Cmrlec - Managing Director  
Scott Huffadine - Operations Director  
Kyle Edwards - Non-Executive Director

### Company Secretary

David Okeby

### Registered Office

1187 Hay Street  
West Perth WA 6005  
Telephone: +61 8 6263 1110  
Facsimile: +61 8 9220 5757

### Postal Address

PO Box 1353, West Perth WA 6872

### Website

<http://www.pantoro.com.au>

### Share Registry

**Computershare Investor Services Pty Ltd**  
Level 11, 172 St Georges Tce  
Perth WA 6000  
GPO Box 2975 Melbourne VIC 3001  
Telephone: (within Australia) 1300 850 505  
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### Securities Exchange

**Australian Securities Exchange Limited**  
Exchange Plaza  
2 The Esplanade, Perth WA 6000

**ASX Code:** PNR

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## DIRECTORS' REPORT

Your directors present their report together with the consolidated financial report of Pantoro Limited (Pantoro or PNR or the Company) for the half-year ended 31 December 2017.

### DIRECTORS

The directors of the Company at any time during or since the end of the half-year period are:

Michael Jefferies – Non-Executive Chairman

Paul Cmrlec – Managing Director

Scott Huffadine – Operations Director

Kyle Edwards – Non-Executive Director

Unless otherwise indicated all directors were in office from the beginning of the financial period until the date of this report.

### REVIEW AND RESULTS OF OPERATIONS

- Consolidated profit after tax - \$9,335,855 (2016: \$18,550,173 loss);
- Total consolidated revenue - \$44,504,885 (2016: \$23,770,157);
- Total cost of sales - \$34,031,333 (2016: \$20,282,651);
- Cash flows from operating activities - \$14,141,363 (2016: \$7,636,291);
- Cash flows used in investing activities - \$12,552,555 (2016: \$11,711,698);
- Cash flow from financing activities - \$1,306,630 (\$6,083,913).

### Corporate

As at 31 December 2017, Pantoro had 784,066,810 ordinary shares on issue with approximately \$12.56 million in cash and cash equivalents and 166 ounces of gold at the Perth Mint. The full company structure at the end of the period is set out in the table below.

Debt	2,000 ounces of prepaid gold and normal trade
Ordinary Shares (PNR)	784,066,810
Unlisted Options	3,333,334 (exercisable at \$0.06, various expiry dates)
Employee Options	17,610,000 (various exercise prices and expiry dates)
Performance Rights	3,750,000 (various expiry dates)
Options converted during the quarter	21,906,838

Pantoro did not complete any new capital raisings during the period. However, a total of 21,906,838 options were exercised, resulting in an additional \$1,306,630 cashflow for the Company.

### Halls Creek Project

The Halls Creek Project has continued to provide outstanding outcomes for the Company. Production from the operations continues to grow with 27,123 Oz produced during the period (2016: 16,973 Oz). Pantoro is amongst the lowest cost Australian gold producers with All In Sustaining Costs (AISC) for the period of \$1,004 per ounce (2016: \$1,203/Oz). The production outcome met Pantoro's target to expand to 50,000 – 60,000 Oz per annum during the period.

Production during the period was from both Nicolsons Underground and Wagtail open pit mines. Nicolsons underground mine has continued to exceed expectations with very high grades encountered in all orebodies being actively mined. Mining in the Hall and Anderson lodes to the north of the mine has progressed to approximately 250m below surface with very high grades continuing to be encountered in development at depth. Early mining in the Johnston Lode to the south has also been impressive, with grades substantially higher than the Mineral Resource model often encountered. The average mined grade from Nicolson during the six months was 8.25g/t.

Pantoro is in the process of further expanding production from Nicolsons, with a target production rate of 25,000 tonnes per month from Q3 CY18.

The Wagtail open pits performed to expectation throughout the period, with open pit operations completed during December 2017. The focus at Wagtail is now the transition to underground mining. Both Wagtail North and Wagtail South have been prepared for underground development, and Pantoro awaits final regulatory approvals prior to the planned commencement of operations during Q2 CY2018. The Wagtail orebodies are similar in nature to Nicolsons with approximately the same strike length and width of known mineralisation. Diamond drilling at Wagtail has continued to return very high grade intercepts similar to those seen in drilling at Nicolsons.

Pantoro commenced work on expanding its ore processing facilities during the period. The processing plant capacity is being expanded through the addition of an ore sorter which is expected to be operational from April 2018. The changes are being made to support the operations expansion to 80 – 100,000 Oz per annum.

Exploration has continued throughout the period with two drill rigs operating underground at Nicolsons and two drill rigs operating on the surface. The primary focus of surface drilling has been beneath the current Wagtail Mineral Resource, however first pass drilling programs have also been completed at several other prospects. High grade drilling results were reported from Western Reef and Edison prospects.

Pantoro expanded its tenure during the period through the acquisition of the Grants Creek Project, approximately 50km north of Halls Creek. Grants Creek has been extensively drilled historically with programs completed during the 1980's, 1990's and 2000's. Pantoro intends to access the site as soon as possible after the wet season with a focus on definition of a Mineral Resource and Ore Reserve. Subsequent to the end of the period, Pantoro also acquired the Mary River Project, located approximately 25km South West of Halls Creek. Exploration at Mary River is expected to commence during 2018. Pantoro holds a significant strategic advantage in the Halls Creek region, owning the only commercial scale gold processing plant within 300km.

It is expected that Mineral Resource estimates and Ore Reserve calculations will be completed during Q2 CY2018 for both Nicolsons and Wagtail ore bodies. The new Mineral Resource estimate will include drilling to approximately 400m depth at Nicolsons and approximately 200m depth at Wagtail, with both orebodies continuing to be open at depth.

## **PNG Operations**

Pantoro has continued to focus on its Australian operations during the period, with works in PNG limited to surface exploration programs at the Garaina Project.

The Company divested its 50% interest in ML457 – Widubosh during the period, with PNG Forest products now holding 100% of the project. Pantoro has no further interest or liabilities in relation to the project.

Pantoro continues to hold the Garaina Project. The status of the project remains unchanged with Pantoro holding a 100% interest in EL2321 (Kau Creek), and an application over ELA2518 (Garaina). The Garaina area has been held in application for over 12 months, and it is unclear when the application will be converted to an Exploration Licence by the Mineral Resource Authority. Pantoro also holds an option to purchase EL1629 (Garawaria).

The Garaina Project is considered prospective for discovery of copper-gold porphyry and epithermal gold deposits. Works completed to date support this prospectively. Pantoro continues to consider partnering and divestment options for its PNG operations given the company's focus on its Australian production assets.

## **AUDITOR'S INDEPENDENCE**

The auditor's independence declaration is included on page 16.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'P.M. Cmrlec', with a long horizontal flourish extending to the right.

Paul Cmrlec  
Managing Director

14 March 2018

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Note	31 Dec 17 \$	31 Dec 16 \$
Revenue	3	44,504,885	23,770,157
Cost of sales	4	<u>(34,031,333)</u>	<u>(20,282,651)</u>
<b>Gross profit</b>		10,473,552	3,487,506
Other income		274,094	23,895
Other expenses		(1,404,510)	(1,314,320)
Finance costs		(7,281)	(14,162)
Fair value change in financial instruments		-	(14,473)
Impairment recognised	13	-	(16,117,421)
Exploration and evaluation expenditure written off		<u>-</u>	<u>(4,601,198)</u>
<b>Profit/(loss) before income tax</b>		9,335,855	(18,550,173)
Income tax expense	5	<u>-</u>	<u>-</u>
<b>Profit/(loss) after income tax</b>		9,335,855	(18,550,173)
<b>Other comprehensive (loss) / income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(16,467)	35,839
Net fair value changes in available-for-sale financial assets		<u>6,923</u>	<u>-</u>
<b>Other comprehensive (loss)/profit for the period, net of tax</b>		(9,544)	35,839
<b>Total comprehensive profit/(loss) for the period, net of tax</b>		<u>9,326,311</u>	<u>(18,514,334)</u>
<b>Profit/(loss) per share for the profit attributable to the ordinary equity holders of the parent (cents per share)</b>			
Basic profit/(loss) per share (cents per share)		1.20	(2.59)
Diluted profit/(loss) per share (cents per share)		1.19	(2.59)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	31 Dec 17 \$	30 Jun 17 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		12,556,347	9,672,046
Trade and other receivables		827,584	1,163,168
Available-for-sale financial assets		55,385	48,462
Inventories	6	6,919,372	4,845,079
Other assets		148,206	394,883
<b>Total current assets</b>		<u>20,506,894</u>	<u>16,123,638</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	12,474,605	9,981,902
Exploration and evaluation expenditure	8	4,390,689	2,314,845
Mine properties and development costs	9	19,678,965	22,107,707
<b>Total non-current assets</b>		<u>36,544,259</u>	<u>34,404,454</u>
<b>TOTAL ASSETS</b>		<u>57,051,153</u>	<u>50,528,092</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		10,387,555	11,162,579
Unearned Income	10	3,200,000	7,405,417
Provisions		980,978	735,936
<b>Total current liabilities</b>		<u>14,568,533</u>	<u>19,303,932</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		2,061,263	1,965,365
<b>Total non-current liabilities</b>		<u>2,061,263</u>	<u>1,965,365</u>
<b>TOTAL LIABILITIES</b>		<u>16,629,796</u>	<u>21,269,297</u>
<b>NET ASSETS</b>		<u>40,421,357</u>	<u>29,258,795</u>
<b>EQUITY</b>			
Contributed equity	11	174,713,702	173,379,286
Reserves		6,794,606	6,302,315
Accumulated losses		(141,086,951)	(150,422,806)
<b>TOTAL EQUITY</b>		<u>40,421,357</u>	<u>29,258,795</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Issued capital	Options reserve	Share- based payments reserve	Fair value reserve	Accumulated losses	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>At 1 July 2016</b>	150,991,758	4,380,625	1,603,206	-	(134,685,841)	(443,811)	21,845,937
Loss for the period	-	-	-	-	(18,550,173)	-	(18,550,173)
Other comprehensive income, net of tax	-	-	-	-	-	35,839	35,839
<b>Total comprehensive (loss)/profit for the year</b>	-	-	-	-	<b>(18,550,173)</b>	<b>35,839</b>	<b>(18,514,334)</b>
<b>Transactions with owners in their capacity as owners</b>							
Exercise of options	2,883,913	-	-	-	-	-	2,883,913
Convertible note conversions	216,667	133,333	-	-	-	-	350,000
Acquisition of additional interest in Halls Creek Project	18,200,000	-	-	-	-	-	18,200,000
Share-based payments	-	-	87,152	-	-	-	87,152
<b>At 31 December 2016</b>	<b>172,292,338</b>	<b>4,513,958</b>	<b>1,690,358</b>	<b>-</b>	<b>(153,236,014)</b>	<b>(407,972)</b>	<b>24,852,668</b>

	Issued capital	Options reserve	Share- based payments reserve	Fair value reserve	Accumulated losses	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>At 1 July 2017</b>	173,379,286	4,513,958	2,225,647	-	(150,422,806)	(437,290)	29,258,795
Profit for the period	-	-	-	-	9,335,855	-	9,335,855
Other comprehensive income/(loss), net of tax	-	-	-	6,923	-	(16,467)	(9,544)
<b>Total comprehensive profit/(loss) for the year</b>	-	-	-	<b>6,923</b>	<b>9,335,855</b>	<b>(16,467)</b>	<b>9,326,311</b>
<b>Transactions with owners in their capacity as owners</b>							
Exercise of options	1,334,416	-	-	-	-	-	1,334,416
Share-based payments	-	-	501,835	-	-	-	501,835
<b>At 31 December 2017</b>	<b>174,713,702</b>	<b>4,513,958</b>	<b>2,727,482</b>	<b>6,923</b>	<b>(141,086,951)</b>	<b>(453,757)</b>	<b>40,421,357</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	<b>31 Dec 17</b>	<b>31 Dec 16</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from trade and other debtors	40,299,468	23,209,437
Payments to suppliers and employees	(26,196,054)	(15,584,072)
Interest paid	(7,281)	(12,969)
Interest received	34,521	18,556
Other income	-	5,339
Proceeds from security deposits	10,709	-
Net cash flows from operating activities	14,141,363	7,636,291
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(3,124,108)	(1,194,289)
Payments for exploration and evaluation	(2,081,180)	(432,248)
Payments for mine properties and development	(7,347,267)	(10,090,661)
Proceeds from sale of property, plant and equipment	-	5,500
Net cash flows used in investing activities	(12,552,555)	(11,711,698)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from gold prepayment	-	3,200,000
Proceeds from share issues	-	2,883,913
Proceeds from exercise of options	1,306,630	-
Net cash flows from financing activities	1,306,630	6,083,913
Net increase in cash and cash equivalents	2,895,438	2,008,506
Net foreign exchange differences	(11,137)	(1,805)
Cash and cash equivalents at the beginning of the financial period	9,672,046	4,926,473
Cash and cash equivalents at the end of the financial period	12,556,347	6,933,174

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate Information**

The financial report of Pantoro Limited (“Pantoro” or “PNR” or “the Company”) for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 14 March 2018.

Pantoro is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Directors’ Report.

The address of the registered office is 1187 Hay Street, West Perth WA 6005.

### **2. Summary of accounting policies**

#### **a) Basis of preparation of the half-year financial report**

This general purpose condensed consolidated financial report for the half-year ended 31 December 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all the information required for full annual financial statements, and should be read in conjunction with the annual report of Pantoro for the year ended 30 June 2017 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

#### **b) Basis of consolidation**

The half-year report is comprised of the financial statements of Pantoro (the “parent company”) and its controlled entities (together referred to as the “Consolidated Entity” or “Group”).

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Controlled entities are consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

#### **c) New and amended accounting standards and interpretations**

Since 1 July 2017, the Consolidated Entity has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on 1 July 2017. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Consolidated Entity. The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Consolidated Entity’s general purpose financial report for the year ended 30 June 2017, except for those noted above. The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**3. Revenue**

	<b>31 Dec 17</b>	<b>31 Dec 16</b>
	<b>\$</b>	<b>\$</b>
Revenue from sale of gold	44,504,885	23,770,157
<b>Total revenue</b>	<u>44,504,885</u>	<u>23,770,157</u>

**4. Cost of sales**

Salaries, wages expense and other employee benefits	(7,319,287)	(6,289,905)
Other production costs	(15,491,504)	(6,626,690)
Royalties	(975,275)	(595,690)
Write-down in value of inventories to estimated net realisable value	160,689	32,560
<b>Depreciation and amortisation expense</b>		
Depreciation of non-current assets		
Property, plant and equipment	(595,615)	(595,520)
Buildings	(34,332)	87,253
Amortisation of non-current assets		
Mine properties and development costs	(9,776,009)	(6,294,659)
<b>Total cost of sales</b>	<u>(34,031,333)</u>	<u>(20,282,651)</u>

**5. Income tax**

No income tax expense was recognised during the period as the Company has sufficient unrecognised tax losses to offset the taxable income for the period.

**6. Inventories**

	<b>31 Dec 17</b>	<b>30 Jun 17</b>
	<b>\$</b>	<b>\$</b>
Ore stocks at net realisable value	4,174,949	2,271,097
Gold in circuit at cost	1,613,578	1,798,446
Bars in transit at cost	193,277	-
Stores and spares at cost	937,568	775,536
	<u>6,919,372</u>	<u>4,845,079</u>

**7. Property, plant and equipment**

During the half-year ended 31 December 2017, the Group paid \$3,124,108 (2016: \$1,194,289) in relation to property, plant and equipment acquisitions.

**8. Exploration and evaluation expenditure**

During the half-year ended 31 December 2017 the Group paid \$2,081,180 (2016: \$432,248) in relation to exploration and evaluation expenditure.

During the current period a review was undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. As a result, no areas of interest were determined to have impairment indicators (2016: \$4,601,198 was impaired).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 9. Mine properties and development

During the half-year ended 31 December 2017 the Group paid \$7,347,267 (2016: \$10,090,661) in relation to mine properties and developments costs. This amount relates to Nicolsons underground and the open pits at the Halls Creek Project.

### 10. Unearned income

In February 2015, subsidiary Halls Creek Mining Pty Ltd ("HCM") drew down on a \$9,200,000 gold pre-pay facility with Commonwealth Bank of Australia ("CBA"). As a result of delays caused by poor ground conditions in the upper levels of the underground mine the facility was restructured to delay the start of the gold deliveries. In July 2016 CBA agreed to defer gold deliveries due on this prepaid facility to accommodate development of the high grade Rowdies and Wagtail open pits and to provide Pantoro with working capital and operational flexibility. Gold deliveries recommenced in December 2016 and was completed in December 2017.

On 14 July 2016, upon completion of the acquisition of the remaining 20% of the Halls Creek Project from Bulletin Resources Limited (Bulletin), the outstanding portion of the Bulletin gold pre-pay facility with CBA was assigned to HCM with a face value of \$1,732,601 as at that date. Gold deliveries commenced on December 2016 and finished in December 2017.

In July 2016 HCM drew down an additional \$3,200,000 on a second gold pre-pay facility with CBA. The facility is repayable in gold ounces in four equal instalments of 500 ounces per month between January and April 2018 inclusive.

The arrangement has been classified as unearned income on the Consolidated Statement of Financial Position as CBA has prepaid the Company for a fixed quantity of gold ounces. The Company now has a legal obligation to deliver gold ounces, and will subsequently recognise revenue as and when it makes the repayment in gold ounces. The Company will measure revenue based on the allocation of nominal amounts of advance payments corresponding to the gold ounces delivered.

### 11. Contributed equity

	<b>31 Dec 17</b>	<b>30 Jun 17</b>
	<b>\$</b>	<b>\$</b>
<b>Ordinary shares</b>		
Issued and fully paid	174,713,702	173,379,286
<b>Movements in ordinary shares on issue</b>		
	<b>Number</b>	<b>\$</b>
<b>At 1 July 2016</b>	565,312,188	150,991,758
Exercise of options	46,065,221	2,883,913
Convertible note conversions	1,666,667	216,667
Acquisition of additional interest in Halls Creek Project	130,000,000	18,200,000
<b>At 31 December 2016</b>	<u>743,044,076</u>	<u>172,292,338</u>
<b>At 1 July 2017</b>	761,659,872	173,379,286
Exercise of options	21,906,938	1,334,416
Performance rights vested	500,000	-
<b>At 31 December 2017</b>	<u>784,066,810</u>	<u>174,713,702</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **12. Segment information**

During the period the Group has determined that it operates in one operating segment, being the Halls Creek Project and this is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources in the Group. Accordingly, the financial results of the segment are equivalent to the financial statements of the Group as a whole.

The corporate head office and the PNG exploration do not engage in business activities from which they generate or earn revenues. As a result, the corporate head office and the PNG exploration do not represent operating segments.

### **13. Impairment**

In the prior period an impairment assessment of the Halls Creek Project was performed by management which resulted in an impairment of \$16,117,421.

### **14. Commitments and contingencies**

#### **Commitments**

At 31 December 2017, the Group had the following commitments

- lease expenditure commitments of \$2,004,621 relating to tenements on which mining and exploration operations are located (30 June 2017: \$2,024,316); and
- capital expenditure commitments of \$1,535,573 principally relating to plant and equipment upgrades associated with the ore sorter and crushing circuit (30 June 2017: \$357,556).

#### **Contingencies**

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Group.

### **15. Subsequent events**

On 31 January 2018, the Company announced it had entered into a binding agreement to acquire the Mary River Gold Project (E80/4991) near Halls Creek in Western Australia. Consideration for the acquisition is \$80,000.

On 15 February 2018, the Company issued 1,000,000 shares for conversion of performance rights on the successful meeting of a performance hurdle.

There are no other matters or circumstances which have arisen since the end of the financial period to the date of this report, which have significantly affected, or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

### **16. Dividends**

No dividends were provided for or paid during the half-year or up to the date of this report.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Pantoro Limited (the Company), I state that:

In the opinion of the directors:

- a) the financial statements and notes of the Company and its subsidiaries (collectively the Consolidated Entity) are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Paul Cmrlec  
Managing Director

14 March 2018

## AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young  
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Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436  
ey.com/au

### Auditor's independence declaration to the directors of Pantoro Limited

As lead auditor for the review of Pantoro Limited for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pantoro Limited and the entities it controlled during the financial period.

*Ernst & Young*

Ernst & Young

A handwritten signature in black ink, appearing to read 'Teale'.

Philip Teale  
Partner  
14 March 2018

## INDEPENDENT REVIEW REPORT



Ernst & Young  
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### Independent auditor's review report to the members of Pantoro Limited Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Pantoro Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2017, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## INDEPENDENT REVIEW REPORT



### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Philip Teale'.

Philip Teale  
Partner  
Perth  
14 March 2018