



ASX Announcement
16 July 2018

Full year production exceeds 52,000 ounces with preparations for further growth

Pantoro Limited (ASX:PNR) is pleased to provide a summary of key events during the June 2018 quarter ahead of releasing its quarterly activities report. Key highlights during the quarter included:

Production Summary

- Full year production of 52,203 ounces. Within the targeted range of 50,000 – 55,000 ounces.
- Production in the quarter ended June 2018 of 11,694 ounces. Lower production than the 13,385 ounces in the March quarter primarily due to unexpected mining dilution as announced to market on 19 June 2018. Mine grades improved once the issues were rectified with a head grade of 9.15 g/t Au achieved during the month of June. Production for the quarter exceeded the guidance of 10,600 to 11,400 ounces.
- Nicolsons processing plant continued to operate reliably with 54,998 tonnes processed during the quarter at an average recovery of 92%. Processed tonnes were slightly below the previous quarter due to minor delays associated with tie in of the new ore sorter and crushing circuit. The minimal disruption was an excellent result considering the magnitude of the upgrade.
- Pantoro held \$14.9 million in cash and gold[^] at the end of the quarter following the final debt repayment early in April. The Nicolsons operation is well positioned to substantially grow Pantoro's cash position now that several major projects and their associated expenditure requirement has been completed.

Major projects completion position the operation for further growth:

- Installation and commissioning of the Steinert ore sorter was completed during June. The ore sorter will be the primary facilitator of continued production increases during the coming year. The full benefit will be achieved from the ore sorter as ore development and production from the Wagtail underground mine ramps up. Pantoro is continuing to aim for production rates of 80-100,000 ounces per annum by the end of 2018.
- Pantoro advised that it had received its final approvals to commence underground mining at Wagtail on 28 May. Underground development commenced shortly afterwards from the base of the Wagtail North open pit. Development is progressing well in accordance with the site plan. The first substantial ore development from Wagtail is expected during the December 2018 quarter. A combination of Wagtail ore with the existing Nicolsons feed is expected to result in the ore sorter and processing plant being fully utilised by the end of the year as planned.
- The maiden underground Indicated and Inferred Mineral Resource of 126,000 ounces and a Probable Ore Reserve of 62,000 ounces at Wagtail was released to the ASX on 24 May 2018. An annual Mineral Resource and Ore Reserve update for Nicolsons is expected to be completed during the coming weeks.
- A major surface ventilation rise was also completed during the quarter and a major TSF lift was nearing completion at the end of June 2018, with minor works for completion undertaken during July.

Managing Director Paul Cmrlec said "The June 2018 quarter was a defining period in the preparation for continued growth at Nicolsons. The operations team achieved an excellent outcome in delivering several major capital projects while maintaining production at the mine. The project's undertaken are key to our growth plans, and we look forward to delivering production rates of 80,000 to 100,000 ounces per annum in the near term."

Enquiries

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[^] Cash and gold includes \$11.75 million cash, zero gold at mint, 1,319.5 ounces gold in safe and 541.1 ounces GIC at closing price of \$1,692/oz.

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