PANTORO

ASX Announcement
5 January 2017

High Grade Drilling Results at Paddock Well

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to advise that it has received high grade drill results from the first drilling program at Paddock Well, located approximately three kilometres south east of the Nicolsons processing plant.

The initial eleven hole program returned 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.
- 1 m @ 7.77 g/t from 70 m.
- 2 m @ 5.46 g/t from surface.

Commenting on the results, Managing Director Paul Cmrlec said:

> "This initial drill program highlights the strong potential for identification of new high grade ore deposits outside of the known Mineral Resources at the Nicolsons Project. Successful exploration efforts in the coming quarters could allow the production profile to be further increased and the life of the Nicolsons Project to be extended further.
>
> Follow up drilling at Paddock Well is being planned and will be undertaken during the current quarter. Pantoro is stepping up its exploration effort at the Halls Creek Project with a detailed aeromagnetic survey of the Halls Creek tenement package completed this month. Drilling aimed at identifying underground ore sources beneath the Wagtail pits is progressing, and we will soon undertake an initial drill program at the nearby Shifty's prospect. We are fortunate to have so many drill ready targets in this vastly under-explored region, underpinned by the current production from the Nicolsons and Wagtail mines."

About the Paddock Well Prospect

The Paddock Well prospect, located approximately three kilometres south east of the Nicolsons processing plant is related to a separate mineralised structure from the Nicolsons mine trend, offset by approximately one kilometre to the east of the main mine structural corridor.

Local geology is characterised by the Halls Creek Group metasediment and volcanics which have been intruded by Lamboo Complex mafic and ultramafics and the Bow River Granite on the eastern margin. The initial exploratory drilling program was focussed around an outcropping quartz vein and historical drilling which was limited to approximately 50 m depth. The program was predominantly undertaken using reverse circulation methods, however a single diamond tail was completed on hole PWRC16007. The drill core identified a discrete quartz vein with massive sulphide inclusions, analogous to the Mother Lode ore zone at Nicolsons. The mineralised zone remains open to the north and south and at depth.

Enquiries

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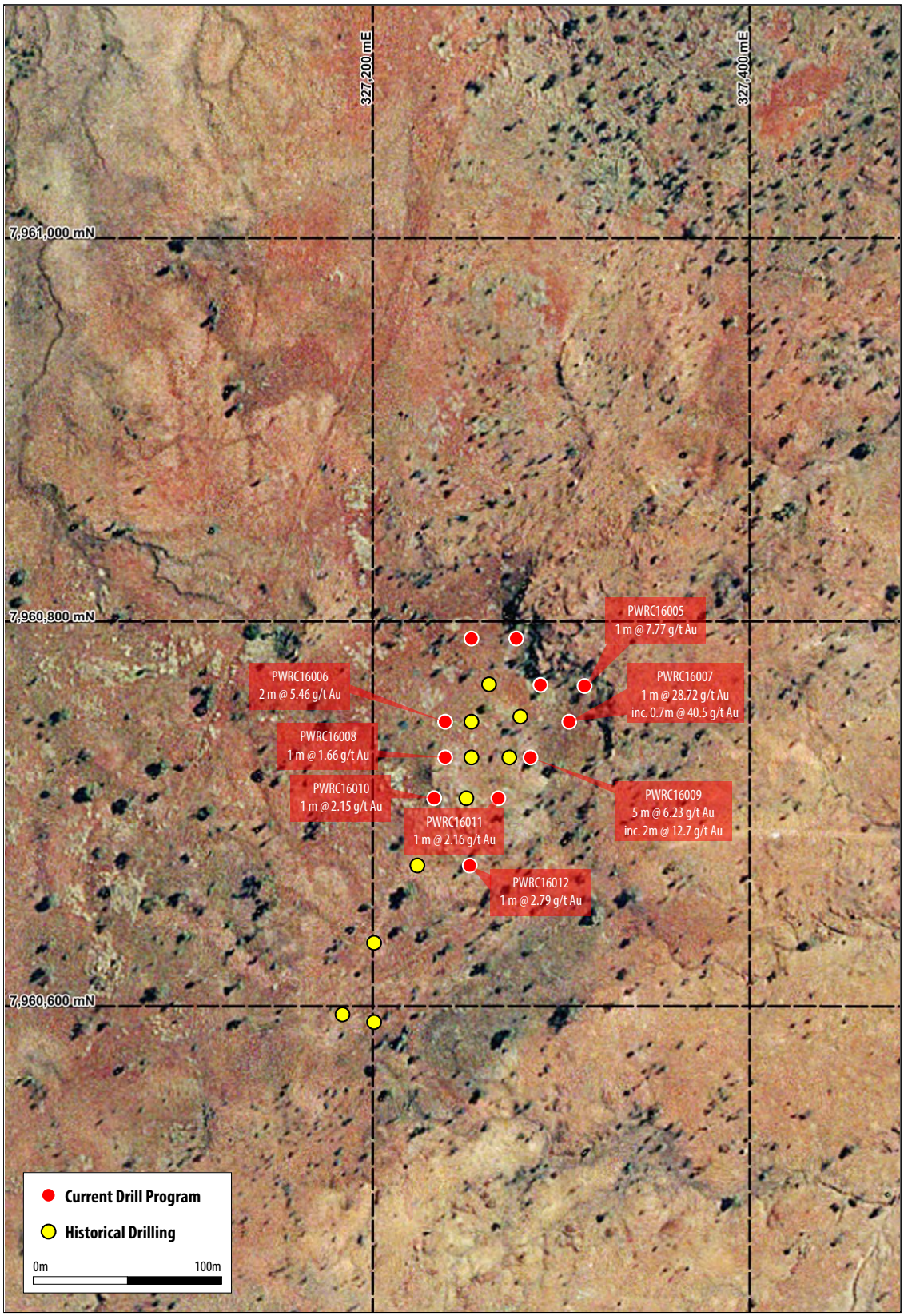


Figure 1: Paddock Well drilling location plan showing significant intersections from the current drilling program.

Historical drilling was previously announced by Bulletin Resources Limited (ASX:BNR) on 12 July 2012 in a report entitled "Exploration Activities Update".

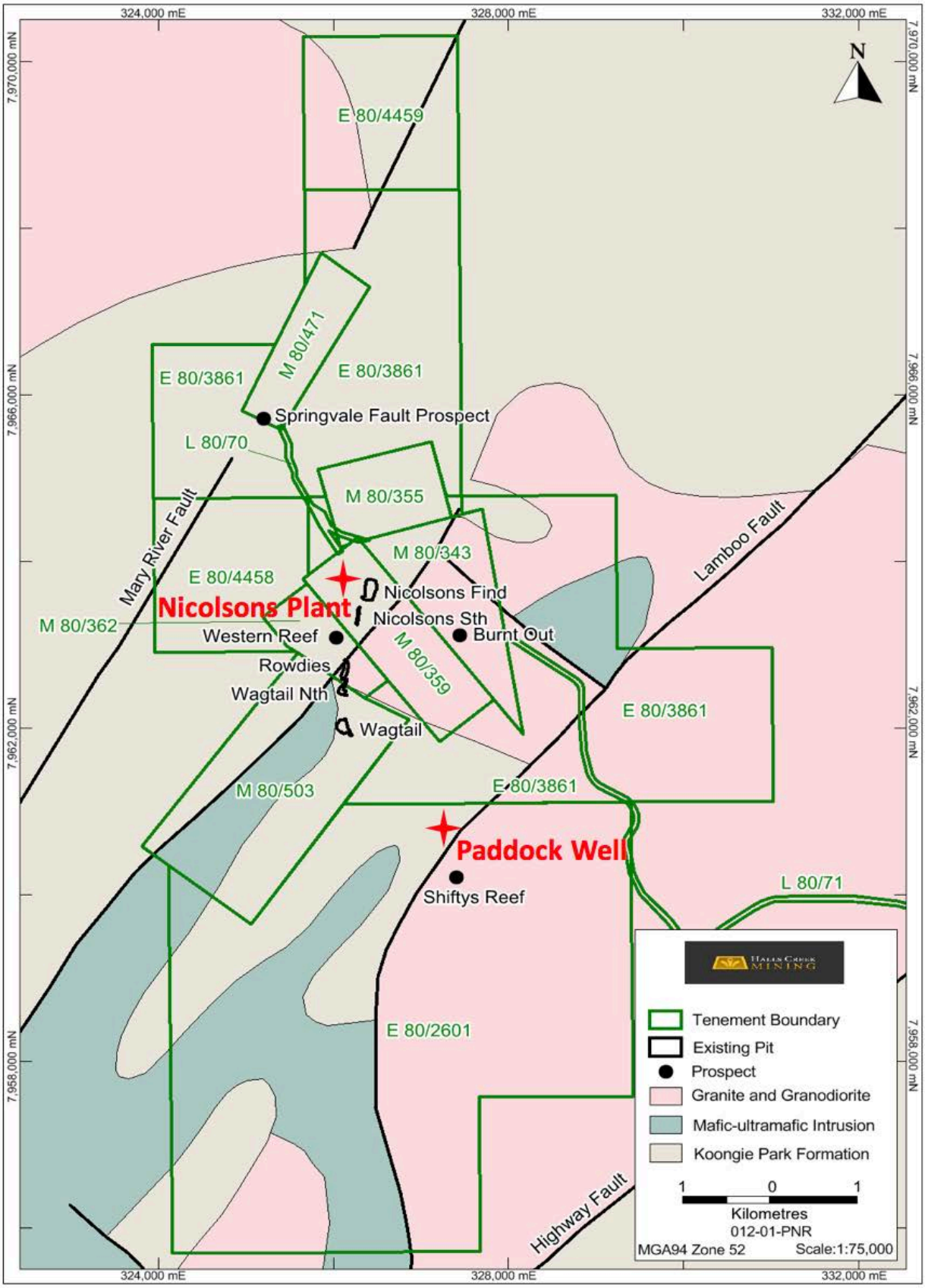


Figure 2: Location plan of Halls Creek Project mines and prospects.

Appendix 1 – List of Drill Results Received at Paddock Well

Hole Number	Easting	Northing	RL	Dip (degrees)	Azimuth (degrees)	End of Hole Depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	True Width (m)	Au gpt (uncut)
PWRC16001	327250.1	7960790.2	409.4	-60.0	280.0	30.0					NSA
PWRC16002	327265.1	7960790.9	410.5	-60.0	270.0	45.0					NSA
PWRC16004	327278.5	7960768.0	409.9	-60.0	270.0	60.0					NSA
PWRC16005	327278.5	7960767.9	409.9	-60.0	270.0	81.0	70.00	71.00	1.00	0.87	7.77
PWRC16005	327301.7	7960763.2	409.6	-60.0	270.0	81.0	74.00	75.00	1.00	0.87	2.55
PWRC16006	327244.1	7960751.9	410.0	-60.0	280.0	30.0	0.00	2.00	2.00	1.73	5.46
PWRC16006	Including 8.72 g/t over 1 m from 1 - 2 m										
PWRC16006	327244.1	7960751.9	410.0	-60.0	280.0	30.0	4.0	5.0	1.0	0.87	1.0
PWRC16006	327244.1	7960751.9	410.0	-60.0	280.0	30.0	6.0	7.0	1.0	0.87	3.9
PWRC16007	327295.7	7960752.1	409.0	-60.0	270.0	80.0	72.60	73.60	1.00	0.87	28.72
PWRC16007	Including 40.5 g/t over 0.7 m from 72.6 m										
PWRC16008	327240.4	7960730.5	410.5	-60.0	280.0	20.0	13.00	14.00	1.00	0.87	1.66
PWRC16009	327276.0	7960727.6	408.9	-60.0	250.0	95.0	55.00	60.00	5.00	4.30	6.23
PWRC16009	Including 12.67 g/t over 2 m from 58 - 60 m										
PWRC16010	327238.7	7960710.593	410.2	-60.0	275.0	35.0	10.00	11.00	1.00	0.87	2.15
PWRC16011	327264.3	7960709.1	409.3	-60.0	270.0	60.0	51.00	52.00	1.00	0.87	2.16
PWRC16012	327251.1	7960673.7	409.0	-60.0	260.0	61.0	57.00	58.00	1.00	0.87	2.79

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.

JORC Code 2012 Edition– Table 1

PADDOCK WELL SURFACE REVERSE CIRCULATION AND DIAMOND DRILLING SAMPLING

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• This information in this release relates to results from Reverse Circulation (RC) and Diamond exploration drill sampling of the Paddock Well prospect at the Nicolsons gold project. • RC – Rig-mounted static splitter used, with sample falling though a riffle splitter, splitting the sample in 87.5/12.5 ratio sampled every 1m • RC samples 2-5kg samples are dispatched to an external accredited laboratory (BVA Perth) where they are crushed and pulverized to a pulp (P90 75 micron) for fire assay (40g charge). • Diamond samples 2-5kg samples are dispatched to an external accredited laboratory (BVA Perth) where they are crushed and pulverized to a pulp (P90 75 micron) for fire assay (40g charge). • All core is logged and sampled according to geology, with only selected samples assayed. Core is halved, with RHS of cutting line assayed, and the other half retained in core trays on site for further analysis. Samples are a maximum of 1.2m, with shorter intervals utilised according to geology to a minimum interval of .3m. • Core is aligned, measured and marked up in metre intervals referenced back to downhole core blocks . • Visible gold is encountered at the project and where observed during logging, Screen Fire Assays are conducted • Historical holes - RC drilling was used to obtain 1 m samples from which 2 - 3 kg was crushed and sub-split to yield 250 for pulverisation and then a 40 g aliquot for fire assay. Review of drilling programmes indicate all intervals were assayed.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• RC – Reverse circulation drilling was carried out using a face sampling hammer and a 130mm diameter bit • DD – NQ2 diamond tail completed on PWRC16007 from 30.6m to 80m EOH • DD - the single diamond tail in this program was not oriented

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• All holes were logged at site by an experienced geologist. Recovery and sample quality were visually observed and weights recorded at the laboratory • RC- recoveries are monitored by visual inspection of split reject and lab weight samples are recorded and reviewed. • RC drilling by previous operators is considered be to industry standard at the time • DD – No significant core loss has been noted in fresh material. Good core recovery has generally been achieved in all sample types in the current drilling program.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Geological logging is completed by a qualified geologist and logging parameters include: depth from, depth to, condition, weathering, oxidation, lithology, texture, colour, alteration style, alteration intensity, alteration mineralogy, sulphide content and composition, quartz content, veining, and general comments. • 100% of the holes are logged
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• All RC holes are sampled on 1m intervals • RC samples take of the rig splitter, generally dry • Core samples were sawn in half utilising an Almonte core-saw, with RHS of cutting line sent for assaying and the other half retained in core trays on site for future analysis. • For core samples, core was separated into sample intervals and separately bagged for analysis at the certified laboratory. • Core was cut under the supervision of an experienced geologist, it was routinely cut on the orientation line. • All mineralised zones are sampled as well as material considered barren either side of the mineralised interval • Field duplicates i.e. other half of core or ¼ core has not been routinely sampled • Half core is considered appropriate for diamond drill samples. • Sample sizes are considered appropriate fro the material being sampled • RC drilling by previous operators is considered to be to industry standard at that time.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Assays are completed in a certified laboratory in Perth BVA. Gold assays are determined using fire assay with 40g charge. Where other elements are assayed using either AAS base metal suite or acid digest with ICP-MS finish. The methods used approach total mineral consumption and are typical of industry standard practice. • No geophysical logging of drilling was performed. • Lab standards, blanks and repeats are included as part of the QAQC system. In addition the laboratory has its own internal QAQC comprising standards, blanks and duplicates. Sample preparation checks of pulverising at the laboratory include tests to check that the standards of 90% passing 75 micron is being achieved. Follow-up re-assaying is performed by the laboratory upon company request following review of assay data. Acceptable bias and precision is noted in results given the nature of the deposit and the level of classification • RC drill samples from previous owners was fire assay with AAS finish. Review of historic records of received assays confirms this.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections are noted in logging and checked with assay results by company personnel both on site and in Perth. • There are no twinned holes drilled as part of these results • All primary data is logged on paper and later entered into the SQL database. Data is visually checked for errors before being sent to an external database manager for further validation and uploaded into an offsite database. Hard copies of original drill logs are kept in onsite office. • Visual checks of the data re completed in Surpac mining software • No adjustments have been made to assay data unless in instances where standard tolerances are not met and reassay is ordered.

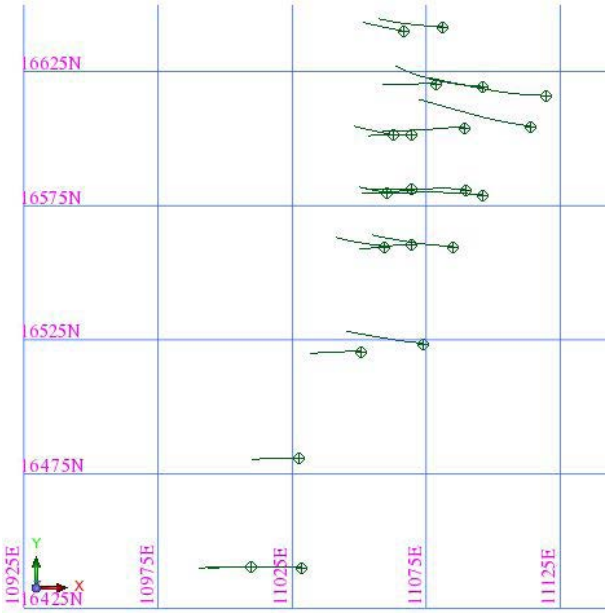
Criteria	JORC Code explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• RC/DD drilling is downhole surveyed utilizing surveyed electronic single shot survey tool at collar, 10 metres then 30m thereafter. No Gyro DH surveys were undertaken on this program. • Surface RC and Dimaond drilling is marked out using GPS and final pickups using DGPS collar pickups • The project lies in MGA 94, zone 52. Local coordinates are derived by conversion: GDA94_EAST =NIC_EAST * 0.9983364 + NIC_NORTH * 0.05607807 + 315269.176 GDA94_NORTH = NIC_EAST * (-0.05607807) + NIC_NORTH * 0.9983364 + 7944798.421 GDA94_RL =NIC-RL + 2101.799 • Topographic control uses DGPS collar pickups and external survey RTK data and is considered adequate for use. • Pre Pantoro survey accuracy and quality assumed to industry standard.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill spacing historically on the open for RC has been on 40 and 20m spacing on drill lines with the recent follow up drilling stepping out on the same line spacing. • No compositing is applied to diamond drilling or RC sampling. • Core samples are both sampled to geology of between 0.3 and 1.2m intervals.All RC samples are at 1m intervals
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• No bias of sampling is believed to exist through the drilling orientation • Surface drilling is designed perpendicular to the interpreted orientation of the mineralisation.
Sample security	• The measures taken to ensure sample security.	• The chain of custody is managed by Pantoro employees and contractors. Samples are stored on site and delivered in sealed boxes and bags to the lab in Perth • Samples are tracked during shipping. • Pre Pantoro operator sample security assumed to be consistent and adequate.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audit or reviews of sampling techniques have been undertaken however the data is managed by an offsite database consultant who has internal checks/ protocols in place.

SECTION 2: REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The tenement related to this drilling, E80/2601 is 100% held by Pantoro subsidiary company Halls Creek Mining Pty Ltd. • Tenement transfers to HCM are yet to occur as stamp duty assessments have not been completed by the office of state revenue. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Previous exploration in the paddock well area includes work completed by: Money Mining conducted regional and prospect scale mapping and rock chip sampling in 1990. Anglo Australian Resources completed RAB and RC drilling in the area in 1996 and more Recently Bulletin Resources undertook prospect scale mapping and rock chip sampling including multi-element analysis with a shallow RC drilling program in 2012.
Geology	• Deposit type, geological setting and style of mineralisation.	• Gold mineralisation in the Nicolson's Find area is structurally controlled within the 400 m wide NNE trending dextral strike slip Nicolson's Find Shear Zone (NFSZ) and is hosted within folded and metamorphosed turbiditic greywackes, felsic volcaniclastics, mafic volcanics and laminated siltstones and mudstones. This zone forms part of a regional NE-trending strike slip fault system developed across the Halls Creek Orogen (HCO). • The NFSZ comprises a NNE-trending anastomosing system of brittle-ductile shears, characterised by a predominantly dextral sense of movement. The principal shear structures trend NNE to N-S and are linked by NW, and to a lesser extent, by NE shears. Individual shears extend up to 500m along strike and overprint the earlier folding and penetrative cleavage of the HCO. • The overall geometry of the system is characterized by right step-overs and bends/jogs in the shear traces, reflecting refraction of the shears about the granite contact. Within this system, the NW-striking shears are interpreted as compressional structures and the NE-striking shears formed within extensional windows. • Mineralisation is primarily focussed along NNE trending anastomosing systems of NNE-SSW, NW-SE and NE-SW oriented shears and splays. The NNE shears dip moderately to the east, while the NW set dips moderately to steeply to the NE. Both sets display variations in dip, with flattening and steepening which result in a complex pattern of shear intersections.

Criteria	JORC Code explanation	Commentary
Geology (continued)		• Mineralisation is strongly correlated with discontinuous quartz veining and with Fe-Si-K alteration halos developed in the wall rocks to the veins. The NE shears are associated with broad zones of silicification and thicker quartz veining (typically white, massive quartz with less fracturing and brecciation); however, these are typically poorly mineralized. The NW-trending shears are mineralized, with the lodes most likely related to high fluid pressures with over-pressuring and failure leading to vein formation. Although the NE structures formed within the same shear system, the quartz veining is of a different generation to the mineralized veins. • Individual shears within the system display an increase in strain towards their centres and comprise an anastomosing shear fabric reminiscent of the pattern on a larger scale.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: » easting and northing of the drill hole collar » elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar » dip and azimuth of the hole » down hole length and interception depth » hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• A table of drill hole data pertaining to this release is attached. • All holes with results available from the last public announcement are reported.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Reported drill results are uncut • All relevant intervals to the reported mineralised intercept are length weighted to determine the average grade for the reported intercept. • All significant intersections are reported with a lower cut off of 1 g/t Au including a maximum of 2m of internal dilution. Individual intervals below this cut off are reported where they are considered to be required in the context of the presentation of results • No metal equivalents are reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Surface DD/RC drilling is perpendicular to the interpreted strike of the mineralisation • Downhole lengths are reported and true widths are calculated in both the section and plan view utiliising a formulae in excel • True widths are calculated and reported for drill intersections which intersect the lodes obliquely..
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate diagrams are included in the report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All holes available since the last report are included in the tables • Diagrams show the location and tenor of both high and low grade samples.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No other meaningful data to report.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The current work program was preliminary in nature and designed to test the exsiting mineralisation at deeper levels and to complete a diamond tail to accurately assess the nature of the mineralisation at Paddock Well to compare it to that seen at the Nicolsons and Wagtail mines. • Follow up drilling has been planned to continue to test the extents of the mineralsation at depth and along strike.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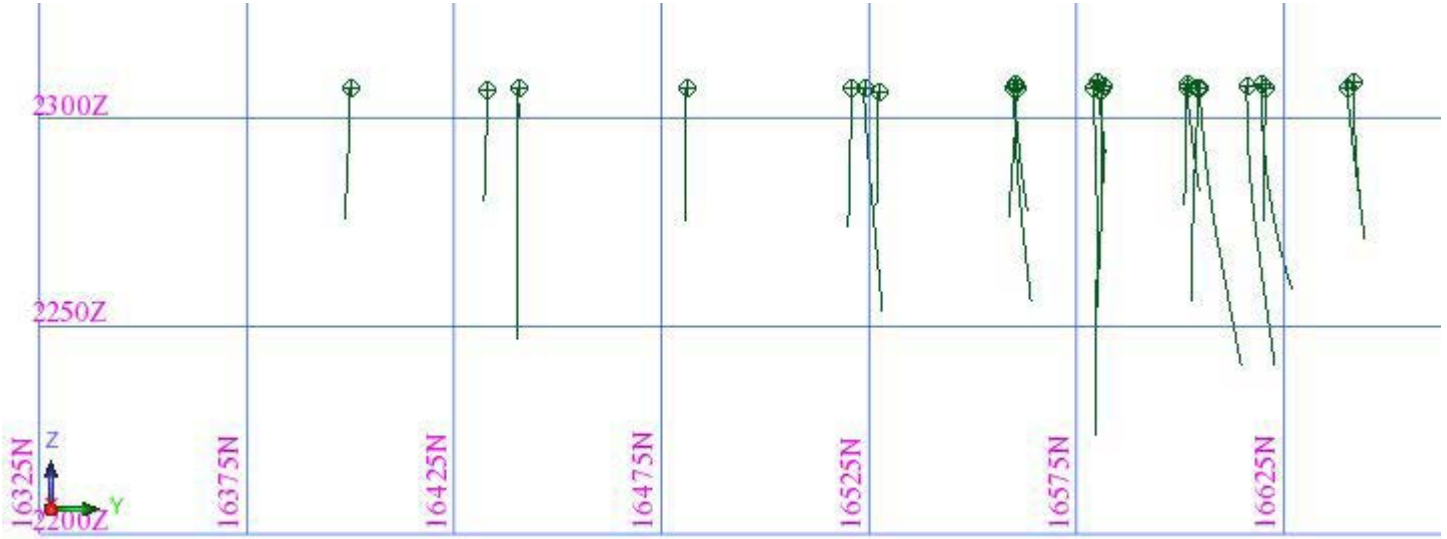
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