



ASX Announcement
4 August 2020

Board Changes & Company Update

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to advise that Ms Fiona Van Maanen has today been appointed as an Independent Non-Executive Director. Ms Van Maanen is a Certified Practising Accountant and holds a Bachelor of Business (Accounting) Degree and a Graduate Diploma in Company Secretarial Practice. Ms Van Maanen has approximately 25 years experience in corporate governance, financial management, and accounting in the mining industry. Her direct audit and corporate governance management experience compliments the Board's existing skill set as the company moves into its next phase of growth.

Ms Van Maanen will replace retiring Independent Non-Executive Director, Michael Jefferies on the board. Mr Jefferies was the Non-Executive Chairman of Pantoro Limited from October 2016 to February 2020, and then an Independent Non-Executive Director from February 2020 until his retirement today.

Mr Jefferies is a highly experienced veteran of the financial and mining industries, and Pantoro is grateful for the valuable input that he has provided to the board throughout his tenure. His staged transition to retirement from the board has benefited all shareholders.

Company Update

Pantoro is pleased to provide an update of its activities at both Norseman and Halls Creek.

Key Highlights

- Company activities continue without any material effects caused by COVID-19.
- Norseman Project continues to deliver outstanding drilling results.
- Norseman Project feasibility study on track for completion at the end of the current quarter.
- Halls Creek continuing to deliver expected production and cashflow.

Norseman Drilling

Pantoro has been drilling continuously since August 2019, with a short break in the December/January period. To date approximately 75,000 metres of RC and diamond drilling has been completed, with outstanding results reported from near term mining centres and in new exploration targets.

In light of the success to date, the board of Pantoro have resolved to expand the drilling program at the Scotia Mining Centre. An extension to the recent Panda discovery has already been released to the ASX, and drilling is now focussed on extensions to the Lady Eleanor and Scotia orebodies. A program of deeper drilling is also being planned to extend high grade mineralisation at depth.

Additional exploration drilling is also being planned at the Princess Royal Mining Centre where a number of old workings from the pre-1930's era remains largely untested by modern drilling.

Planning is underway for the commencement of extensional exploration within the Main Field area at Norseman. The Main Field produced more than half of the six million ounces of historical production at Norseman, with a number of high grade historical drill results requiring follow up. The Main Field has large zones of already identified high grade mineralisation, and these zones will become a focus for further development now that the initial planned drilling at the first phase mining centres has been completed with excellent results. The Main Field is approximately 5 km long, with historical mined grades of approximately 13 g/t Au.

Drilling is underway on Lake Cowan, and additional follow-up drilling at the Sailfish prospect is being planned. The first round of drilling at Sailfish produced the outstanding results of 8.1 m @ 67.29 g/t Au from 78.6 m down hole. (Refer to ASX Announcement 'Very High Grade Mineralisation Encountered on Lake Cowan' dated 21 July 2020).

Pantoro Limited
ABN 30 003 207 467

t: +61 8 6263 1110 | e: admin@pantoro.com.au | w: www.pantoro.com.au
PO Box 1353 West Perth WA 6872 | 1187 Hay Street, West Perth WA 6005

Norseman Feasibility Study

Pantoro advises that the feasibility study at Norseman is progressing to plan, with all aspects of the study relating to infrastructure nearing completion. The study which has been undertaken by MACA Interquip to $\pm 10\%$ accuracy is expected to be suitable for project funding and will be the basis for the detailed design and construction phases.

As previously highlighted, the processing plant is to be primarily replaced, with a small amount of refurbishment of suitable items within the existing plant. The main change to the processing plant circuit from the scoping study which was released to the ASX in December 2019 is the introduction of three stage crushing with a single ball mill.

The change was found to be the optimal outcome with regard to operating cost and recovery when compared with the existing circuit which includes single stage crushing, SAG, and ball mills. The changes are expected to increase the total capital cost by \$10 - \$15 million (Pantoro share \$5 - \$7.5 million), however the payback in terms of operating cost is less than two years.

The processing plant is currently designed to treat one million tonnes per annum of blended ore. Given the ongoing drilling success at the project, provision for expansion to approximately 1.5 million tonnes per annum has been made in the design. Pantoro will closely monitor the rate of Ore Reserve growth at the project to identify the opportunity and timing for potential future upgrades.

The study confirms that the majority of infrastructure already in place at the project is suitable for use. Design and costing of refurbishment and upgrade of all aspects including power, bore fields, tailings disposal, airstrip and roads is nearing completion.

All environmental studies required for approvals have been completed, except seasonal flora surveys which are required to be completed during spring. No issues which would materially affect approval timelines have been identified, and the approvals process remains on track to meet project construction timelines.

Finalisation of drilling programs, Resource Modelling and Ore Reserve calculation is ongoing. It is expected that the Ore Reserves and mining inventory calculated from the six mining centres advanced to date will meet the Pantoro's aim of approximately 500,000 ounces. The inventory will continue to be increased throughout the project development period.

Halls Creek

Mining and processing at Halls Creek is continuing in line with guidance provided in the June 2020 Quarterly Report. The changes implemented by Pantoro in the areas of management, scale of operations, and cost control have produced the expected result and have brought Halls Creek to a cash generative position.



Crushed ore stockpiles ready for milling at Halls Creek

Current guidance for the operation is repeated below. It is noted that estimated cashflows are based on a gold price of A\$2,600 per ounce.

	Halls Creek Operations	
	Q1 FY21 Guidance	Q2 FY21 Guidance
Production (oz Au)	9,000 ± 5%	9,000 ± 5%
Revenue @ \$2,600/oz* (\$ million)	\$22 - \$25	\$22 - \$25
C1 (\$/oz)	\$1,300 - \$1,350	\$1,300 - \$1,350
AISC (\$/oz)*	\$1,550 - \$1,750	\$1,550 - \$1,750
Major Project Capital (\$ million)	\$2.0 - \$2.5	\$2.0 - \$2.5
Exploration (\$ million)	\$1.0	\$1.0
Net Cashflow (\$ million) @ \$2,600/oz	\$3.5 - \$6.0	\$3.5 - \$6.0

Drilling with a single drill rig shared between Nicolsons and Wagtail underground mines has continued throughout the year.

Halls Creek Regional Exploration

With the easing of COVID restrictions in the Kimberley region, Pantoro is preparing to complete its next phase of exploration drilling at Mary River. The Mary River tenement hosts a large shear zone over its 17 kilometre strike, and has had minimal historical drilling.

Drilling to date by Pantoro near the historical Reform mine has defined a zone of broad, low grade gold mineralisation over approximately 450 metres, with results to date including (Refer to ASX Announcement 'Mary River Drilling Highlights Potential for a Large Low grade Gold System' dated 31 October 2019) :

- 14 m @ 1.23 g/t Au inc. 2 m @ 5.33 g/t Au.

- 13 m @ 0.97 g/t Au.

- 4 m @ 3.35 g/t Au.

- 4 m @ 2.24 g/t Au.

- 15.7 m @ 0.89 g/t Au.

- 17.0 m @ 0.74 g/t Au.

Geological mapping and surface sampling has identified the same rock units hosting gold mineralisation throughout the system.

The next short phase of wide spaced drilling at Mary River is focussed on the northern end of the shear system and is expected to be undertaken before the next wet season, at a total cost of approximately \$200,000.

Enquiries

Paul Cmrlec | Managing Director | Ph: +61 8 6263 1110 | Email: admin@pantoro.com.au

This announcement was authorised for release by Paul Cmrlec, Managing Director.

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)), a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Huffadine is a Director and full time employee of the company. Mr Huffadine is eligible to participate in short and long term incentive plans of and holds shares, options and performance rights in the Company as has been previously disclosed. Mr Huffadine has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Huffadine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Saifish Drilling Results

The information is extracted from the report entitled 'Very High Grade Mineralisation Encountered on Lake Cowan' created on 21 July 2020 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.

Mary River Drilling Results

The information is extracted from the report entitled 'Mary River Drilling Highlights Potential for a Large Low grade Gold System' created on 31 October 2019 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.

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.