



ASX Announcement
22 September 2016

Open Pit Mining Commencing and High Grade Results at Rowdies

Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to advise that it has received all approvals required for commencement of open pit mining at Rowdies and Wagtail.

Highlights

- All required permits for commencement of open pit mining have been received;
- Open pit mining contractor has mobilised to site and preparatory works have commenced;
- Infill and extension drilling completed at Rowdies and has returned additional high grade results including:
 - » 3 m @ 44.34 g/t Au.
 - » including 1 m @ 130 g/t Au.
 - » 4 m @ 8.10 g/t Au.
 - » 2 m @ 4.70 Au.

The open pit mining contractors have mobilised to site, and preparatory site works are underway. It is expected that mining will commence in October 2016 as planned, and that ore will be delivered to the processing plant in the first half of the December 2016 quarter. The open pits have an initial life of 9 months, with ore to be blended with underground feed over a period of approximately 16 months.



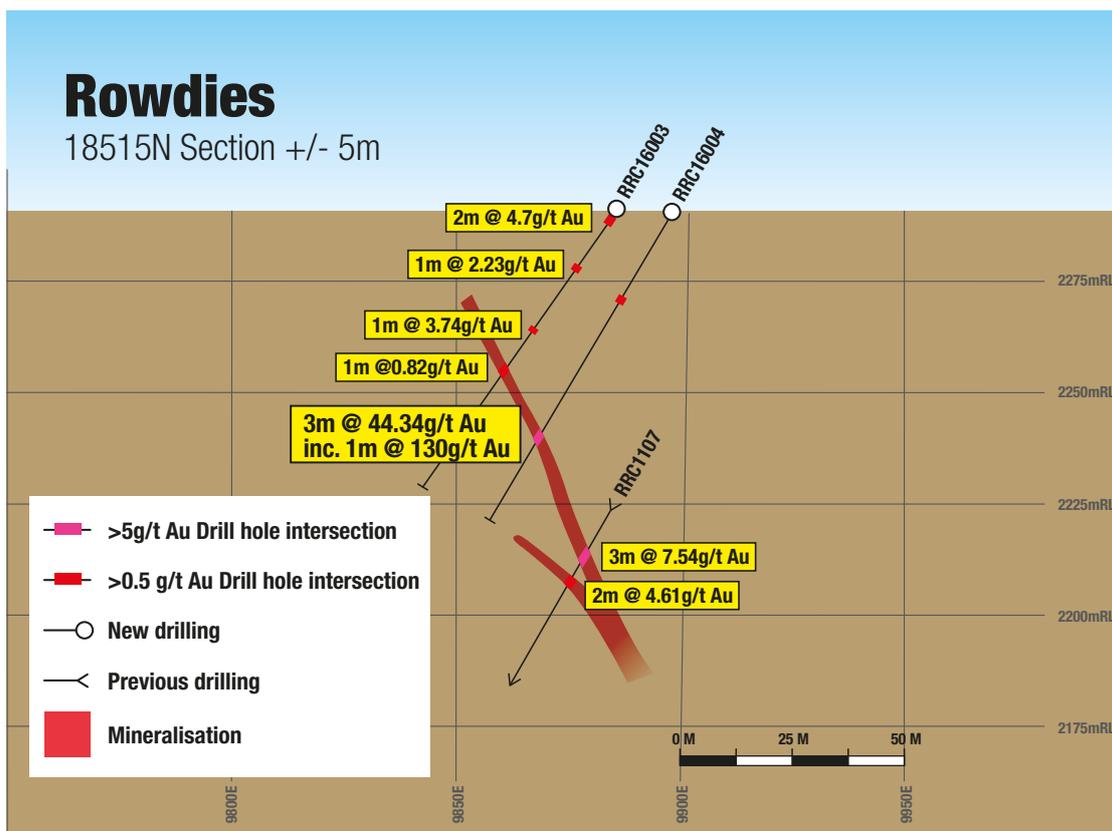
Preparatory Works Begin at Site.

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Drilling Results

High grade drilling results have been returned from below the existing open pit design with results including 3 m @ 44.34 g/t, including 1 m @ 130 g/t, approximately 40 m below and north of the current pit design and 4 m @ 8.10 g/t approximately 16 m below the base of the current pit design.



Initial diamond drilling underneath the current Rowdies and Wagtail pits will commence during the ensuing quarter with the aim of identifying additional underground mine prospects for development following the completion of open pit mining.

Commenting on commencement of open pit mining, Managing Director Paul Cmrlec said:

“Commencement of open pit mining underwrites the next phase of growth, targeting 50,000 ounces per annum at Nicolson’s.

With open pit mining works and plant expansion underway, Pantoro will test the highly prospective zones beneath the current Mineral Resources at Rowdies and Wagtail. Drilling results to date are reminiscent of what we have seen at Nicolson’s in terms of grade and continuity, and we believe that the deposits present outstanding potential to identify our next high grade underground mine.”

Enquiries

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Appendix 1 – Listing of Drill Results

Hole Number	Easting Local	Northing Local	RL Local	Dip (degrees)	Azimuth (degrees)	End of Hole Depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	True Width (m)	Au gpt (uncut)
RRC16003	9884.0	18515.0	2286.0	-55.5	267.0	74.00	0.00	2.00	2.0	1.73	4.70
RRC16003	9884.0	18515.0	2286.0	-55.5	267.0	74.00	10.00	11.00	1.0	0.87	0.98
RRC16003	9884.0	18515.0	2286.0	-55.5	267.0	74.00	16.00	17.00	1.0	0.87	2.23
RRC16003	9884.0	18515.0	2286.0	-55.5	267.0	74.00	32.00	33.00	1.0	0.87	3.74
RRC16003	9884.0	18515.0	2286.0	-55.5	267.0	74.00	46.00	47.00	1.0	0.87	0.82
RRC16003	9884.0	18515.0	2286.0	-55.5	267.0	74.00	57.00	58.00	1.0	0.87	0.82
RRC16004	9894.0	18514.0	2286.0	-60.0	269.0	80.00	59.00	62.00	3.0	2.60	44.34
including							59.00	60.00	1.0	0.87	130.00
RRC16008	9888.0	18474	2286.0	-57.0	267.0	60.00	47.00	53.00	6.0	5.19	5.66
including							47.00	51.00	4.0	3.46	8.10
RRC16012	9890.0	18438	2286.0	-60.0	264.0	50.00					NSA
RRC16015	9877.0	18438	2286.0	-55.0	269.0	64.00	0.00	1.00	1.0	0.87	0.93
RRC16016	9890.0	18438	2286.0	-60.0	265.0	50.00					NSA
RRC16019	9881.0	18419	2286.0	-60.0	270.2	55.00	3.00	4.00	1.0	0.87	1.13
RRC1107*	9921.8	18522	2287.5	-60	269.9	120	85.00	88.00	3.0	2.6	7.54
RRC1107*	9921.8	18522	2287.5	-60	269.9	120	92.00	94.00	2	1.73	4.61

* Previous drilling.

Competent Persons Statement

Halls Creek Tenements – Exploration Targets, Exploration Results and Mineral Resources

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources 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

NICOLSONS SURFACE REVERSE CIRCULATION DRILLING SAMPLING

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> This release relates to results from Reverse Circulation (RC) infill and extension drill sampling of the proposed Open pit deposits at Rowdies at the Nicolson's gold project. RC – Rig-mounted static splitter used, with sample falling through a riffle splitter, splitting the sample in 87.5/12.5 ratio sampled every 1m RC samples 2-4kg samples are dispatched to an external accredited laboratory where they are crushed and pulverized to a pulp (P90 75 micron) for fire assay (40g charge). Visible gold is encountered and where observed during logging, Screen Fire Assays are conducted Historical holes - RC and aircore 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. Upper portions of deeper holes were composited to 3m sample intervals and sub-split to 1 m intervals for further assay if an anomalous composite assay result was returned. For later drilling programmes all intervals were assayed.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> RC – Reverse circulation drilling was carried out using a face sampling hammer and a 130mm diameter bit
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All holes were logged at site by an experienced geologist. Recovery and sample quality were visually observed and recorded RC- recoveries are monitored by visual inspection of split reject and lab weight samples are recorded and reviewed. RC drilling by previous operators to industry standard at the time.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All RC holes are sampled on 1m intervals RC samples take of the rig splitter, generally dry Sample sizes are considered appropriate RC drilling by previous operators to industry standard at that time.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Assays are completed in a certified laboratory in Perth WA. 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 and AC drill samples from previous owners is assumed to be fire assay with AAS finish. Review of historic records of received assays confirms this.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> RC drilling is downhole surveyed utilizing surveyed electronic single shot survey tool at collar, 20 metres then 30m thereafter. Surface RC 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill spacing historically on the open foir RC has been on 40 and 20m spacing on drillinnes with the recent first pass infill drilling extending 10 and 20m along strike and in between of the existing drilling. The Competent Person is of the view that the drill/sample spacing, geological interpretation and grade continuity of the data supports the resource categories assigned. No compositing is applied to RC sampling. Previous operators composited samples to 3m occurred in holes above predicted mineralised zones. Composite samples were re-assayed in their 1 m increments if initial assay results were anomalous.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No bias of sampling is believed to exist through the drilling orientation Surface RC drilling of the pits is perpendicular to the orebody
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audit or reviews of sampling techniques have been undertaken however the data is managed by an offsite database contractor who has internal checks/ protocols in place.

SECTION 2: REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Tenements containing Resources and Reserves are 80% held by Pantoro subsidiary company Halls Creek Mining Pty Ltd. They are: M80/343, M80/355, M80/359, M80/503 and M80/471. M80/362 Tenement transfers to HCM are yet to occur as stamp duty assessments have not been completed by the office of state revenue. Pantoro recently announced an agreement to acquire 100% of the tenements, however the transaction is not yet complete. The tenements lie on a pastoral lease with access and mining agreements and predate native title claims. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The deposits were discovered by prospectors in the early 1990s. After an 8,500 m RC program, Precious Metals Australia mined 23 koz at an estimated 7.7g/t Au from Nicolson's Pit in 1995/96 before ceasing the operation. Rewah mined the Wagtail and Rowdy pits (5 koz at 2.7g/t Au) in 2002/3 before Terra Gold Mines (TGM) acquired the project, carried out 12,000 m of RC drilling and produced a 100 koz resource estimate. GBS Gold acquired TGM and drilled 4,000 m before being placed in administration. Bulletin Resources Ltd acquired the project from administrators and conducted exploration work focused on Nicolson's and the Wagtail Deposits and completed regional exploration drilling and evaluation and completed a Mining Study in 2012 prior to entering into a JV with PNR in 2014.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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 volcanics, 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
		<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Surface RC drilling of the pits is perpendicular to the orebody Downhole lengths are reported and true widths are calculated in both the section and plan view utilising a formulae in excel True widths are calculated and reported for drill intersections which intersect the lodes obliquely.

Criteria	JORC Code explanation	Commentary
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate diagrams are included in the report.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other meaningful data to report.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> As already noted these drilling results are part of an ongoing program to define and extend the known resource. Further infill drilling will be planned on the basis of interpretation of the results as they become available

