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PANTORO

2017 ANNUAL REPORT

CORPORATE DIRECTORY

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BOARD OF DIRECTORS

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

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MANAGING DIRECTOR'S LETTER

Dear Shareholders

I am very pleased to provide you with an overview of another year of substantial growth for Pantoro. Nicolsons has continued to exceed our initial expectations, allowing production output to continue to grow throughout the period. Production at the mine has consistently grown in every quarter since the first gold was poured in September 2015.

The year commenced with the completion of the acquisition of the final 20% of the project from Bulletin Resources Limited following shareholder approval in July 2016. The majority of the 130 million shares that were paid to Bulletin as consideration for the acquisition were distributed in-specie to their shareholders, many of whom continue to be Pantoro shareholders today.

Following the finalisation of the full ownership of Nicolsons, we were able to rapidly execute expansion plans on site, commencing open pit mining at Wagtail and Rowdies in October 2016, and completing processing plant upgrades in March 2017. Operations were approaching a production rate of 50,000 ounces per annum by year end. This is an impressive result considering that the initial pre-mining target production rate was around half of what is being achieved less than two years after commencement.

Open pit mining at Wagtail has delivered a successful outcome with production exceeding modelled Ore Reserves, and mining revealing a structural architecture similar to what has been observed at Nicolsons. Open pit mining at Wagtail is expected to be ongoing until December 2017. The geology team has been drilling beneath the final pit designs for several months with multiple high-grade results to date indicating that underground mining is likely following completion of the open pits. Rapid transition from open pit to underground mining at Wagtail in the next calendar year is a key growth target for the site team and preparatory works to allow for the appropriate regulatory approvals are underway.

Nicolsons underground mine continues to be the production cornerstone for the operation. Development has now progressed to approximately 240 metres below surface – well below the original Ore Reserve. Ore development on the 2085 and 2065 levels (surface is 2300) has continued to reveal strong mineralisation at depth, with no apparent changes in overall grade or width in the ore zones compared with the levels above. The mine is in a fantastic position with greater than 50,000 ounces fully developed and awaiting production.

Ongoing exploration at Nicolsons, Wagtail and regional targets has continued to be rewarding. The company reported a large increase in Mineral Resource and Ore Reserve in May 2017 which provides security in terms of mine life. Importantly, the ore bodies at both Nicolsons and Wagtail/ Rowdies remain open along strike and at depth, and your management team continues to believe that ongoing drilling will provide further upgrades when adequate data is available. There are now four exploration drill rigs operating at the mine, with two operating underground at Nicolsons and two on surface, drilling depth extensions to Wagtail and regional targets.

Growth in both exploration effort and site production has been achieved without the need to return to the market for additional capital. Total debt has been more than halved since the same time last year and stood at 4,000 ounces at the end of August 2017. The current repayment schedule will see all debt retired in April 2018. The cost profile at the mine during this intensive growth period has remained highly competitive with cash costs of A$913/oz and All In Sustaining Costs of A$1,152/oz for the year. Costs are expected to reduce further as we settle into the expanded production profile.

Outside of the Halls Creek Project, Pantoro continues to hold a 100% interest in the Garaina Project in PNG. Garaina holds strategic value for the company, and we will continue to assess partnership options for the project as conditions for exploration improve in PNG. Pantoro will seek to continue to maintain its position in PNG in good standing in the meantime.

The excellent operational outcome for the company has translated to significant share price appreciation for our shareholders. In a generally flat year for gold producers, Pantoro outperformed the ASX All Ordinaries Gold and Small Resources indexes by many multiples, and provided shareholders with one of best, if not the best rates of share price growth for Australian gold producers listed on the ASX. We thank all of our loyal shareholders for continuing to support our efforts as we continue to focus our efforts on further growth and profitable operations in the coming year.

Finally, I would like to thank our operational team, contractors and suppliers for the dedicated and passionate approach to ensuring that our goals are successfully met and exceeded.

Yours sincerely



Paul Cmrlec
Managing Director

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REVIEW OF OPERATIONS

The past year has provided outstanding operational results for Pantoro, placing the company among the ranks of profitable gold producers in Australia. Pantoro's focus on sustainable growth while exercising strict cost control has resulted in doubling of the Halls Creek Project production output, while growing Mineral Resources and Ore Reserves. The company has also more than halved its outstanding debt during the past six months. The operational and growth outcomes were achieved without the need to return to the market for additional equity funding. The strong operational outcome came as Halls Creek saw one if its wettest seasons on record. While a number of open pit mine shifts were lost and milling capacity was reduced as a result, production growth continued as planned – a credit to the dedication and determination of the site team.

Pantoro commenced Gold production from Nicolsons Mine in September 2015 following approximately six months of construction which involved commencement of a new underground mine, the repair and refurbishment of an existing processing facility, and construction of surface infrastructure including the tailings storage facility. Operations have also resulted in silver production with approximately one ounce of silver recovered for every two ounces of gold produced to date.

Since that time, Pantoro has continued to grow the operations and production profile at Halls Creek Operations, and has recently doubled its exploration drilling programs aiming to achieve further growth in the known Mineral Resource and Ore Reserve during the coming years.

The company will continue to seek growth opportunities both through expansion of current operations and through consideration of additional acquisition opportunities.

Halls Creek, Western Australia (100%)

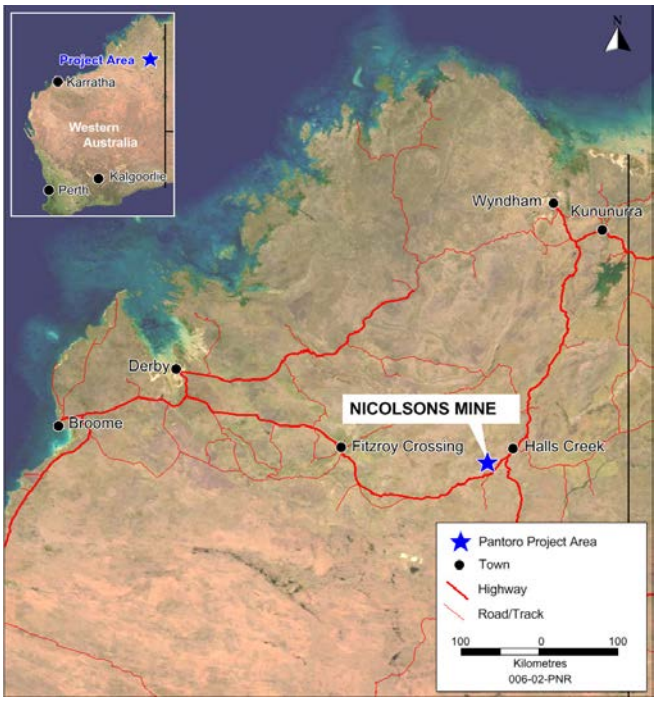
Halls Creek Mining Pty Ltd

The Halls Creek Project includes the Nicolsons Mine, (35 km south west of Halls Creek) and a pipeline of exploration and development prospects located east of Halls Creek in the Kimberley Region of Western Australia.

Pantoro acquired its initial interest in the project during April 2014, and took possession of the site in May 2014 enacting its rapid development plan for the project.

The project currently has a Mineral Resource estimate of 1.58 million tonnes at 7.4 g/t Au containing approximately 377,000 ounces of gold. The Ore Reserve estimate is 0.77 million tonnes at 7.4 g/t Au containing approximately 183,000 ounces of gold.

Nicolsons Mine is well located, only 8 km from the Great Northern Highway, a fully sealed transport corridor connecting Perth and Darwin. The mine is only 45 km from the Town of Halls Creek, where extensive services, including camp accommodation and a sealed airstrip are utilised by the company, reducing overall capital and ongoing maintenance costs.



Halls Creek Project Location

The project region has only been sporadically assessed over a number of years, and is considered to be grossly under-explored. Pantoro's current exploration effort is the most substantial program ever undertaken and has led to additional ore discovery during the year through improved knowledge of the mineralised system. Total known gold endowment within Pantoro's tenure now exceeds 450,000 ounces (refer to ASX Announcement of 1 June 2017 titled "Nicolsons Project Mineral Resource and Ore Reserve update"), demonstrating that the project presents a significant deposit in the Australian gold industry context.

Operating Results

Gold production has continued to ramp up throughout the year with every quarter since commencement in September 2015 surpassing output in the previous quarter. The increased output is the result of substantially increasing the processing plant capacity from 150,000 tonnes per annum to approximately 220,000 tonnes per annum during the past year. Open pit mining commenced in October 2016 with first ore delivered in December 2016, supplementing underground feed.

Considering the level of growth capital (much of which is included in the AISC) at the operation, overall cost performance has met expectations. The large investment in mine development has placed the mine in an outstanding operational position with more than a years production fully developed and awaiting stoping underground, and drill definition of Wagtail underground targets progressing rapidly. Summary mine performance for the past year is set out in the table below.

	FY 2017			
Physical Summary	**Q1**	**Q2**	**Q3**	**Q4**
UG Ore Mined	33,866	34,073	42,243	40,446
UG Grade Mined	7.28	8.74	7.04	7.22
OP BCM Mined	-	238,599	264,392	316,916
OP Ore Mined	-	11,633	26,274	31,980
OP Grade Mined	-	3.68	4.16	4.18
Ore Processed	29,035	40,379	42,317	55,425
Head Grade	8.06	7.62	7.86	7.06
Recovery	98.0%	97.3%	96.8%	94.1%
Gold Produced	7,375	9,598	10,348	11,828
Cost Summary ($/oz)				
C1 Cash Cost	**$976**	**$913**	**$832**	**$944**
Royalties	$31	$38	$37	$45
Marketing/Cost of sales	$6	$4	$5	$5
Sustaining Capital	$205	$237	$144	$162
Corporate Costs	$17	$12	$11	$10
All-in Sustaining Costs	**$1,235**	**$1,205**	**$1,028**	**$1,165**
Major Project Capital	$415	$462	$317	$213
Exploration Cost	$25	$15	$37	$38
Project Capital	**$441**	**$477**	**$354**	**$251**

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REVIEW OF OPERATIONS (CONTINUED)

Mineral Resource and Ore Reserve Upgrades

Pantoro completed a Mineral Resource and Ore Reserve upgrade as at 30 April 2017. The upgrade resulted in a significant in the gold inventory on site compared with the same time last year.

The Mineral Resource stands at 1.58 million tonnes @ 7.4 g/t for 377,000 ounces. The Mineral Resource increased by 72% year on year after depletion. When taking total mining depletion (by Pantoro and reported by other companies historically) of approximately 74,000 ounces into account, the total known gold endowment is now approximately 450,000 ounces.

The Ore Reserve of 773,000 tonnes @ 7.4 g/t for 182,300 ounces was a 62% increase after mining depletion of 46,000 ounces. The Ore Reserve provides a base case life of approximately 4 years, with excellent potential for further increases through drilling and mine development.

The outstanding increase in the gold inventory at the Halls Creek Project demonstrates the great potential for ongoing growth on the tenements through further exploration. Mineralisation remains open at depth in all lodes currently being mined at Nicolsons and Wagtail, and the company intends to drill test at least nine additional targets within the tenure package during the coming year. There are currently four drill rigs actively working on Pantoro's tenements, with approximately four times more active drilling shifts than the same time last year.

Nicolsons Underground Mine

Nicolsons underground mine is located adjacent to the Nicolsons processing plant and has continued to be the cornerstone of production at the operation. Development in the northern Hall and Anderson Lodes has now progressed to 240 metres below surface. Ore has been developed with a consistent strike length throughout the vertical extent of the lodes, which continue to display very high grades and excellent consistency.

Nicolsons underground mine production was 150,600 tonnes @ 7.53 g/t for 36,400 ounces during the year. The grade of ore mined is pleasing given that the majority of ore was won from development activities which is generally more dilutive than production stoping. A total of 5,574 m of lateral development was completed during the year, which included 2,052 m of capital advance and 3,018 m of ore advance.

The Hall Lode continues to be the largest developed lode within the mine. The current stoping front on the Hall Lode is at the 2170 mRL, while ore development is active down to the 2065 mRL Level. The Anderson Lode is in a similar position with development to the 2065 mRL. The focus on development has resulted in a large inventory of developed stocks with 46,000 ounces in Proven Reserves at the 30 April 2017, and development continuing to advance ahead of the stoping rate in the period since. The developed stocks have doubled year on year reflecting the focus on establishing the mine for further production increases as the operation continues to mature.

Development on the Johnson Lode in the south of the mine was also advanced significantly during the second half of the year. South Decline development has progressed to the 2160 mRL and ore development is underway on the 2215 and 2200 levels. Development of the Johnston Lode will become a focus during the coming year as production stoping activity is accelerated in the northern lodes. With active ore faces continuing to increase on both the northern and southern declines, the mine is poised for further production growth.

Development and drilling at Nicolsons have continued to improve geological understanding of the ore system, and significant strike length extensions in the northern parts of the Johnston Lode have been realised as a result. The Ore Reserve strike length in the Johnston was extended by approximately 150 metres in the deeper areas of the resource, and further drilling since has indicated possible further expansion. All of the lodes currently being mined remain open down dip and down plunge, and it is intended to continue drilling for further extensions for the foreseeable future.

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REVIEW OF OPERATIONS (CONTINUED)

Rowdies and Wagtail Open Pits

Open pit mining commenced in October 2016 at Rowdies and Wagtail, approximately 1.5 km south of the Nicolsons processing plant. Rowdies pit was a small excavation which was completed by December 2016 and is currently utilised for water harvesting during the wet season. Wagtail North and South pits are larger excavation which are due to be completed by the end of calendar year 2017.

Similar to Nicolsons in size and grade, the Wagtail pits have outperformed the Ore Reserve model to date with consistent ore shoots being encountered in both pits. To the end of June 2017, a total of 9.2 Koz had been mined from the open pits.

Transition to underground mining is a primary focus at Wagtail. During the year a number of high grade drill results beneath the ultimate open pit designs were released to the ASX (Refer to announcements dated 16 March 2017, titled "Drilling Beneath Wagtail Pits Confirms High Grade Depth Extensions" and 31 July 2017 titled "Nicolsons Project Exploration Update"). Best intersections to date include:

- 1.25 m @ 11.13 g/t Au from 138.3 m – including 0.3 m @ 38.6 g/t Au.
- 2.75 m @ 10.31 g/t Au from 141.15 m – including 1.25 m @ 22 g/t Au.
- 2.55 m @ 15.61 g/t Au from 80.35 m – including 0.85 m @ 41.7 g/t Au.
- 1.4 m @ 20.48 g/t Au from 102.7 m – including 0.5 m @ 37.8 g/t Au.
- 3.6 m @ 7.67 g/t Au from 133.0 m - including 1.9 m @ 11.7 g/t Au from 133.0 m.
- 2.6 m @ 6.46 g/t Au from 138.4 m - including 0.35 m @ 27.1 g/t Au from 140.1 m.

Pantoro is continuing to drill the underground target around the clock, and is aiming to define a Mineral Resource and Ore Reserve during the first half of CY2018. Subject to ongoing drilling success, the company is planning for commencement of underground mining shortly thereafter.

Regional Exploration

As the production profile has ramped up during the past year, increased cashflow has allowed exploration to commence outside of the deposits with existing Mineral Resources. An aeromagnetic and radiometric survey was completed on 50 m line spacing during January 2017. The survey covered all of Pantoro's tenure in the area. The survey highlighted a number of structural targets which are being followed up.

In May 2017, new tenement E80/5054 was granted by the Western Australian government. This new area has several existing gold prospects, and at least two of those areas will be drilled during the ensuing year.

A number of prospects including Paddock Well, Western Reef, Shifty's and Nicolsons North have been tested with early programs returning encouraging results. At Paddock Well in particular, very high grade mineralisation was encountered in drilling including (ref. ASX release on 31 July 2017 titled "Nicolsons Project Exploration Update"):

- PWRC16007 – 0.7 m @ 40.5 g/t Au and 385 g/t Ag, 7.44% Pb and 4.07% Zn from 72.6 m.
- PWRC16009 – 2 m @ 12.67 g/t Au and 131 g/t Ag, 2.54% Pb and 2.87% Zn from 58 m.
- Inc 1 m @ 214 g/t Ag, 4.49% Pb and 5.03% Zn from 58 m.

Western Reef, which has unverified historical production of 1,362 tonnes @ 9.37 g/t Au also returned a high grade intercept of 3 m @ 8.67 g/t including 2 m @ 12.7 g/t Au in an initial six hole shallow drilling program. A number of the initial holes are though to have encountered fill placed in the historical surface workings and further drilling is underway.

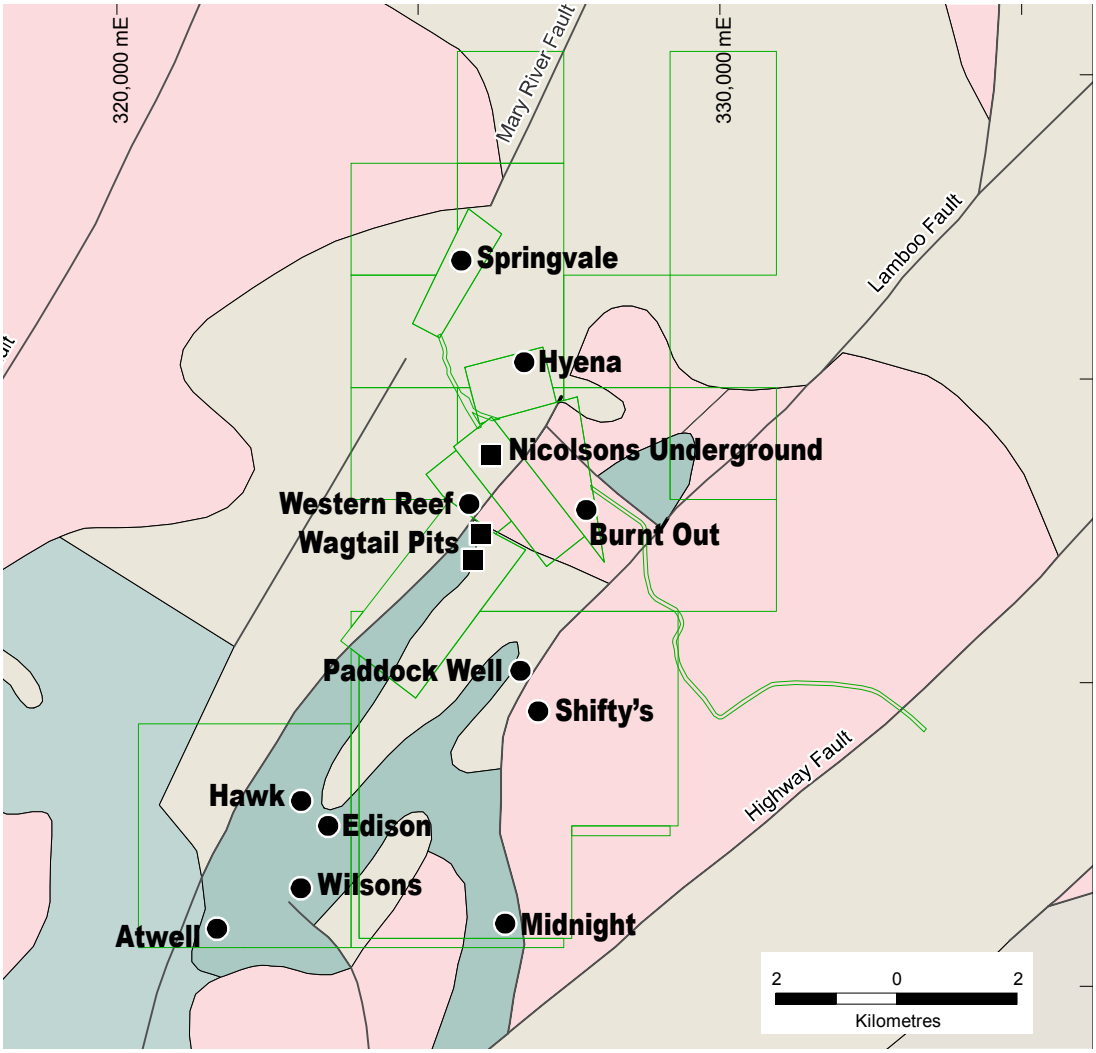
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REVIEW OF OPERATIONS (CONTINUED)



Pantoro intends to drill test at least nine new prospects (which include Paddock Well, Western Reef and Shifty's) during the ensuing year. The aim of the initial exploration is to prioritise targets for detailed drill out in ongoing programs. Targets will be ranked according to probability of delivering near term profitable ore feed to the processing plant.

Plant Expansion

Pantoro completed the planned processing plant upgrades during the year on time and budget. The upgrade included introduction of a tertiary crushing stage, modification of the classification and gravity recovery circuits, and upgrade of pumps and associated equipment where necessary.

The processing plant is now reliably operating at a run rate of 220,000 to 240,000 tonnes per annum. As a result, the expected production output from the operation is 50,000 to 60,000 ounces during the ensuing year.

Preparatory works are under way for the replacement of mobile tertiary crushers with a fixed unit.

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In recognition of the continued drilling and development success at the mine, scoping works were completed for a further processing plant upgrade to advance the site to 80,000 to 100,000 ounces per annum in the near term. Metallurgical testwork including comminution and leaching tests were completed and preliminary engineering work was undertaken.

Pantoro intends to continue drilling the deposit as rapidly as possible and will move to further expand the processing plant once the Mineral Resource is upgraded to allow approximately four to five years of operation at the expanded rate.

Papua New Guinea (PNG)

Pacific Niugini Minerals (PNG) Ltd ("PNM")

Operations in PNG have continued on the basis of completing minimum work requirements to maintain tenement holdings. Pantoro intends to continue to review options for partnering at its Garaina project while completing works required to maintain the tenements. Pantoro has advised its joint venture partner PNG Forest Products that it will withdraw from the ML457 Widubosh joint venture during the ensuing year.

Corporate

Board Composition

The composition of the Pantoro board was strengthened in October 2016 when experienced finance professional Michael Jefferies joined the company as non-executive chairman and lawyer Kyle Edwards joined as non-executive director.

Share Issues and Corporate Structure

There was no additional equity raisings during the year, however there were two primary events which saw additional ordinary shares issued. The acquisition of the final 20% of the Halls Creek project from Bulletin Resources (taking ownership to 100%) was settled through the placement of 130 million ordinary shares following shareholder approval in July 2016. Of the shares issued, Bulletin completed an in-specie distribution of 90 million shares to its shareholders. The remainder of the shares were retained by Bulletin. Bulletin subsequently sold its entire position during the year.

A number of options which were attached to the convertible note and entitlement issue capital raisings undertaken during previous years were also exercised. The capital structure of the company at 30 June 2017 is shown in the table below.

Ordinary Shares (PNR)	761,659,872
Listed Options (PNRO)	16,428,142 (exercisable at $0.06, expiring 25/08/17)
Unlisted Options	8,500,001 (exercisable at $0.06, various expiry dates)
Employee Options	18,530,000 (various exercise prices and expiry dates)
Performance Rights	4,500,000 (various expiry dates)

The capital structure of the company as at 21 September 2017 is shown below:

Ordinary Shares (PNR)	783,066,810
Unlisted Options	3,333,334 (exercisable at $0.06, various expiry dates)
Employee Options	18,190,000 (various exercise prices and expiry dates)
Performance Rights	4,250,000 (various expiry dates)

Project Funding - Gold Pre-Pay Facility and Gold Hedging

Pantoro entered into a gold pre-payment facility with the Commonwealth Bank of Australia (CBA) during February 2015, through its wholly owned subsidiary Halls Creek mining Pty Ltd (HCM). The repayment schedule was modified in July 2015 at the time that the Rights Issue was completed, delaying the repayment period by two months, with adjusted delivery from January 2016 to October 2017.

Pantoro has repaid a substantial portion of the pre-payed gold ounces since December 2016. As at the 31 August 2017, the total outstanding gold pre-pay amount is 4,000 ounces with 500 ounces being repaid each month. The gold loan is scheduled to be fully paid in April 2018.

Pantoro has opportunistically forward hedged a portion of its gold production at times of peak gold price. A number of the high value hedges were filled during period of lower gold price, the hedge position is shown in the table below.

As at 30 June 2017	Ounces	Delivery	Average Delivery Price per ounce
Gold Pre-Payment	5,000.00	Jul 17 – Apr 18	N/A
Gold Hedge	6,551.69	Jul 17 – Nov 17	$1,627.22
Gold Hedge	5,000.00	Dec 17 – Apr 18	$1,844.70
Gold Hedge	6,000.00	May 18 – Oct 18	$1,724.28

As at 30 August 2017	Ounces	Delivery	Average Delivery Price per ounce
Gold Pre-Payment	4,000.00	Sep 17 – Apr 18	N/A
Gold Hedge	1,880.68	Oct 17 – Nov 17	$1,592.97
Gold Hedge	5,000.00	Dec 17 – Apr 18	$1,844.70
Gold Hedge	3,273.44	Jul 18 – Oct 18	$1,724.28

Liquidity

Cash on hand at 30 June 2017 was $9,672,046 (2016: $4,926,473). After including the site gold inventory, cash and gold on hand at the end of June 2017 was $11.9 million (refer to June 2017 quarterly report, released to the ASX on 27 July 2017).

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MINERAL RESOURCE & ORE RESERVE

Pantoro holds 100% of the Halls Creek Project. The total Mineral Resources and Ore Reserves for the Halls Creek Project were calculated as at 30 April 2017 and announced on 1 June 2017. The Mineral Resources and Ore Reserves have been rounded for reporting and are set out below.

Halls Creek Mineral Resources

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Nicolsons	150,000	16.4	79,000	707,000	8.2	185,000	195,000	8.0	50,000	1,053,000	9.3	315,000
Wagtail	-	-	-	261,000	4.1	34,000	69,000	3.8	8,000	329,000	4.0	42,000
Rowdies	-	-	-	80,000	3.5	9,000	69,000	2.0	5,000	149,000	2.8	14,000
HG Stockpiles	16,000	7.1	4,000	-	-	-	-	-	-	16,000	7.1	4,000
LG Stockpiles	31,000	1.9	2,000	-	-	-	-	-	-	31,000	1.9	2,000
Total	**197,000**	**13.4**	**85,000**	**1,048,000**	**6.8**	**229,000**	**333,000**	**5.9**	**63,000**	**1,578,000**	**7.4**	**377,000**

Table 1 – Halls Creek Mineral Resources including the revised Nicolsons Mineral Resource at a cut-off grade of 2.5 g/t. Rowdies and Wagtail Mineral Resources have cut off grades of 0.6 g/t. Rounding errors may be included in the table.

Halls Creek Ore Reserves

	Proven			Probable			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Nicolsons Underground	136,000	10.6	46,000	443,000	6.8	97,000	579,000	7.7	143,000
Nicolsons Pits	31,000	12.4	12,000	23,000	8.4	6,000	54,000	10.7	19,000
Wagtail	-	-	-	93,000	5.2	16,000	93,000	5.2	16,000
Rowdies	-	-	-	-	-	-	-	-	-
HG Stockpiles	16,000	7.1	4,000	-	-	-	16,000	7.1	4,000
LG Stockpiles	31,000	2.0	2,000	-	-	-	31,000	2.0	2,000
Total	**214,000**	**9.4**	**64,000**	**560,000**	**6.6**	**119,000**	**773,000**	**7.4**	**183,000**

MINERAL RESOURCES & ORE RESERVES (CONTINUED)

Mineral Resource Update – Nicolsons

The Nicolsons Mineral Resource update has been completed in accordance with JORC 2012 by Pantoro geologists under the supervision and review of the Competent Person. Key changes in the Mineral Resource Estimate include:

- Modification of ore zones – the geological interpretation of the mineralised domains were re-interpreted using additional face sampling and drilling data obtained since the previous Mineral Resource and Ore Reserve upgrade.
- Additional data – approximately 16,670 metres of diamond drilling was completed during the year, with all available assay results utilised in the Mineral Resource Estimate. Face sampling of ore drives was also undertaken over approximately 100 vertical metres and 2,654 lateral metres utilised in the estimate. Mining of ore outside of previous estimates has resulted in substantial ore upgrades on most underground levels.
- Re-classification of ore categories – ore within the block model was classified into the Measured, Indicated and Inferred categories as appropriate. The classification was based on data density and statistical analysis of that data.
- Depletion – The Mineral Resource had mining depletion applied based on accurate, up to date survey data for both the Nicolsons and the Open Pit Mineral Resources.

Details of the Nicolsons Mineral Resource are set out in the table below:

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
May 2016 Nicolsons	46,000	17.2	26,000	479,000	6.7	104,000	195,000	6.8	42,000	720,000	7.4	172,000
April 2017 Nicolsons	150,000	16.4	79,000	707,000	8.2	186,000	195,000	8.0	50,000	1,053,000	9.3	315,000

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Ore Reserve Update – Nicolsons

The Nicolsons Ore Reserve update has been completed utilising functional mine designs using both underground and open pit methods. Underground mining is the primary ore extraction method, with open pit mining planned for extraction of the crown pillar towards the end of the mine life. There is also a small open Ore Reserve in the upper areas of the Johnston Lode.

- Addition of Ore Reserve blocks where the Mineral Resource estimate has classified new zones of Measured and Indicated Mineral Resource material as a result of additional data.
- Application of actual mining costs at the mine since September 2015.
- Depletion of zones that have been mined or sterilised.
- Addition of ore stockpiled on the surface.

Details of the Nicolsons Ore Reserve are set out in the table below:

	Proven			Probable			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
May 2016 Nicolsons	94,000	10.4	31,000	325,000	6.2	65,000	419,000	7.2	97,000
April 2017 Nicolsons Underground	136,000	10.6	46,000	443,000	6.8	97,000	579,000	7.7	143,000
April 2017 Nicolsons Pits	31,000	12.4	12,000	23,000	8.4	6,000	54,000	10.7	19,000

MINERAL RESOURCES & ORE RESERVES (CONTINUED)

Mineral Resource Update – Wagtail/Rowdies

The Wagtail Mineral Resource update has been completed in accordance with JORC 2012 by Pantoro Geologists under the supervision and review of the Competent Person. Key changes in the Mineral Resource Estimate include:

- Identification and estimation of additional Mineral Resource through grade control drilling programs prior to the commencement of mining.
- Depletion of Ore mined up to 30 April 2017 from the model.

The Mineral Resource update has not taken assays from diamond drilling below the open pit designs since the last update. While the drilling has returned a number of positive, high grade results it is considered that additional results are required prior to re-estimating the depth extents of the Mineral Resource.

Drilling beneath the Wagtail and Rowdies open pit design is planned to continue throughout 2017 with the aim of identifying Ore Reserves suitable for underground mining methods. It is noted that the open pit mines at Wagtail have out-performed the Mineral Resource estimate to date. The over performance has not been factored into the new Mineral Resource estimate.

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
May 2016 Wagtail	-	-	-	236,000	4.6	35,000	17,000	3.4	2,000	253,000	4.56	37,000
May 2016 Rowdies	-	-	-	52,000	4.4	7,000	13,000	4.7	2,000	65,000	4.3	9,000
April 2017 Wagtail	-	-	-	261,000	4.1	34,000	69,000	3.8	8,000	329,000	4.0	42,000
April 2017 Rowdies	-	-	-	80,000	3.5	9,000	69,000	2.1	5,000	149,000	2.8	14,000

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Ore Reserve Update – Wagtail

The Wagtail Ore reserve is based on the open pit mine designs which are currently active. Only Measured and Indicated Mineral Resources which lie within the current pit designs have been included in the Ore Reserve. Changes to the Ore Reserve include:

- Modification of the open pit designs following grade control drilling programs undertaken prior to the commencement of mining.
- Depletion of zones which have been mined.
- Addition of ore stockpiled on the surface.

	Proven			Probable			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
May 2016 Wagtail	-	-	-	97,000	5.6	17,000	97,000	5.6	17,000
April 2017 Wagtail	-	-	-	93,000	5.2	16,000	93,000	5.2	16,000

Material Changes since 30 April 2017

Between 30 April 2017 and 30 June 2017 there have been no material changes in the Mineral Resources or Ore Reserves except for mining depletion in the usual course of business.

Governance Arrangements and Internal Controls

For a summary of the governance arrangements and internal controls that are in place with respect to Mineral Resources and Ore Reserves, please refer to the JORC 2012 Table 1 tables on page 98.

DIRECTORS' REPORT

Your directors present their report on the company, being Pantoro Limited (formerly Pacific Niugini Limited) ("the Company") and its controlled entities ("Group" or "the Consolidated Entity") for the financial year ended 30 June 2017.

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DIRECTORS

The names of the directors in office at any time during or since the end of the year are as follows. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Michael Jefferies BCom, CA – Non-Executive Chairman (Appointed 5 October 2016)
Mr Jefferies has extensive experience in finance and investment, including 20 years as an executive at Guinness Peat Group plc. Michael is a non-executive director of Homeloans Limited, Ozgrowth Limited and Afterpay Touch Group Limited. He was formerly a director of a number of financial services companies including Australian Wealth Management Limited, Tower Australia Limited and Clearview Wealth Limited. Michael was also formerly a director of a number of resources companies.

During the past three years he has served as a director of the following public listed companies:

- Afterpay Touch Group Limited*
- Homeloans Limited*
- Ozgrowth Limited *

Mr Peter Cook BSc Applied Geol, MSc (Min Econ), MAusIMM – Non-Executive Chairman (Resigned 5 October 2016)
Mr Cook is a Geologist and a Mineral Economist. He has considerable experience in the fields of exploration and project and corporate management of mining companies.

During the past three years he has served as a director of the following public listed companies:

- Westgold Resources Limited*
- Metals X Limited (Resigned 25 November 2016).
- Brainchip Holdings Limited (formerly Aziana Limited) (Resigned 10 September 2015).

Mr Paul Cmrlec BEng (Mining), Honours, MAusIMM – Managing Director
Mr Cmrlec holds a Bachelor of Mining Engineering degree from the University of South Australia. He has more than 20 years experience in corporate and operational management of mining companies. Paul has held a number of operational and planning roles with several companies and was previously the Group Underground Mining Engineer for Harmony Gold Australia and the Group Mining Engineer for Metals X Limited.

In addition to operational mining roles, Mr Cmrlec's experience includes the general management of major feasibility studies for the Wafi Copper-Gold deposit in Papua New Guinea, and the Wingellina Nickel-Cobalt deposit in the Central Musgraves region of Western Australia.

During the past three years he has served as a director of the following public listed companies:

- Metals X Limited (Resigned 5 October 2016).

Mr Scott Huffadine BSc., Honours, MAIG – Operations Director
Mr Huffadine is a geologist with more than 20 years' experience in the resource industry, specifically project management, geology and executive management. Mr Huffadine has held several key management positions ranging from operational start-ups involving open pit and underground mining projects, through to large integrated operations in gold and base metals. He was previously Managing Director of Kingsrose Mining Limited, an Executive Director of Metals X Limited and Managing Director of Westgold Resources Limited.

During the past three years he has served as a director of the following public listed companies:

- Kingsrose Mining Limited (Resigned 15 January 2016).

Mr Kyle Edwards BArts/Law – Non-Executive Director (Appointed 5 October 2016)
Mr Edwards is a corporate and resources lawyer and a Director at EMK Lawyers (a Western Australian based corporate and resources law firm). Mr Edwards graduated from the University of Notre Dame Fremantle with a bachelor of Arts (Politics)/Law in 2008.

Mr Edwards' has over 7 years' experience as a lawyer with a particular focus on mining and resources law, mergers and acquisitions, capital markets and native title law.

Mr Edwards has not held any other public company directorships in the past three years.

Mr David Osikore BSc, MAusIMM – Non-Executive Director (Resigned 5 October 2016)
Mr Osikore is a Geologist and has extensive exploration experience working for groups such as Bougainville Copper Limited, Placer Dome, Ingold (a subsidiary of INCO) and Renison Goldfields. He has been a Senior Geologist with Aurora Gold Limited, the Exploration Manager for Abelle Ltd responsible for their Wafi and Hidden Valley Projects and he was appointed the PNG Exploration Manager for Harmony Gold after their take-over of Abelle Ltd. David has considerable experience in dealing with all levels of PNG business, government, landowner communities and government agencies.

Mr Osikore has not held any other public company directorships in the past three years.

Mr Osikore is the Managing Director of the wholly owned PNG subsidiary.

* Denotes current directorship

COMPANY SECRETARY
Mr David Okeby

Mr Okeby has extensive legal, contractual, administrative and corporate experience in the mining industry. Mr Okeby brings skills in governance, stakeholder relations and corporate activities including mergers, acquisitions and divestments to the Company.

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DIRECTORS' REPORT (CONTINUED)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year consisted of gold mining, processing and exploration at the Halls Creek Project in Western Australia.

OPERATING RESULTS

The company's gross profit was $8,244,007 (2016:$1,138,052). Gross profit was reduced by a number of items which included amongst other things, PNG exploration expenditure write off ($4,873,894) and costs of acquisition of the final 20% of the Halls Creek Project ($16,303,586) (refer to Notes to the Consolidated Statements, Note 33).

The consolidated loss for the financial year after providing for income tax amounted to $15,736,965 (2016: loss of $5,303,578).

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2017, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

REVIEW OF OPERATIONS

A full review of the operations of the consolidated entity during the year ended 30 June 2017 is included in this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year other than as disclosed in this report or the consolidated financial statements.

AFTER BALANCE DATE EVENTS

There are no other matters or circumstances that have arisen since the end of the financial year to the date of this report, which has 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.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

Business strategies and prospects for future financial years have been included in the review of operations.

ENVIRONMENTAL ISSUES

The consolidated entity's operations are subject to significant environmental regulations under the laws of Australia and Papua New Guinea.

In Australia these issues are dealt with by the Managing Director of the Company.

In PNG these issues are dealt with by the Managing Director of Pacific Niugini Minerals (PNG) Ltd, the operating entity in PNG.

The consolidated entity is not aware of any matter that requires disclosure with respect to any significant environmental regulation in respect of its activities.

This report details the nature and amount of remuneration for each director and other key management personnel of Pantoro Limited.

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REMUNERATION REPORT

(A) Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of the Company has been designed to align director and other key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives via the issue of options and performance rights. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

During the year ended 30 June 2017, the economic entity did not have a separately established nomination or remuneration committee. Considering the size of the economic entity, the number of directors and the economic entity's stage of its development, the Board are of the view that these functions can be efficiently performed with full Board participation.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board. The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No advice was obtained during the reporting period. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and currently stands at $250,000 pa. Fees for non-executive directors are not linked to the performance of the economic entity. The Directors are not required to hold any shares in the Company under the Constitution of the Company, however to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Managing Director and Executive Remuneration Structure

Based on the current stage in the Company's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of Executives and their contribution towards increasing shareholder value is share price performance over the review period. At present, remuneration is not impacted solely by the Company's share price performance but also other factors such as project identification, acquisition, development, exploration progress and results.

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REMUNERATION REPORT (CONTINUED)

(A) Principles used to determine the nature and amount of remuneration (Cont)

Managing Director and Executive Remuneration Structure (Cont)

Individual and Company operating targets associated with traditional financial and non-financial measure are difficult to set given the small number of executives and the need to be flexible and multi-tasked, as the Company responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators (KPI's) and setting targets against the KPI's has not been adopted at the present time.

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration Long term incentives (LTI).

The proportion of fixed remuneration and variable remuneration is established for each executive by the Board.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration industry and external advice. No external advice was obtained during the reporting period. Executives receive their fixed remuneration in cash.

Executive directors and other senior executives can be employed by the Company on a consultancy basis, on board approval, with remuneration and terms stipulated in individual consultancy agreements.

Variable Remuneration – Long Term Incentive (LTI)

The objective of the LTI plan is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTI granted is, in turn, dependent on the seniority of the Executive and the responsibilities the Executive assumes in the Company and this is granted at the discretion of the Board. LTI grants to Executives are delivered in the form of options and performance rights.

The options are issued on terms determined by the Board at the time of issue. There are no performance conditions attached to the options, unless otherwise determined by the Board. Executives are able to exercise the options for periods as determined by the Board before the options lapse. Where a participant ceases employment prior to the exercise of their options, the options are generally forfeited but may continue in certain circumstances as set out in the LTI plan. There are no performance conditions attached to the options, unless otherwise determined by the Board of Directors, as they are used as part of remuneration packages to attract and retain Executives and to align the Executives interests with that of the shareholders.

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The performance rights will be issued with such conditions as determined by the Board. Where a participant ceases employment prior to the vesting of their performance rights, the performance rights are generally forfeited but may continue in certain circumstances as set out in the LTI plan. The performance rights will have performance hurdles as determined by the Board. They are issued to align the Executives interests with that of the shareholders.

The Company has a formal employee Long Term Incentive Plan last approved at the AGM held 29 November 2016.

During the current and previous financial years the group has generated losses from its mining and exploration and evaluation activities. Given the nature of the group's activities and the consequential operating results, no dividends have been paid. There have been no returns of capital in the current or previous financial periods. The details of market year-end share price movements are as follows:

Year End	Share Price
30 June 2017	$0.25
30 June 2016	$0.13
30 June 2015	$0.05
30 June 2014	$0.07
30 June 2013	$0.10
30 June 2012	$0.235
30 June 2011	$0.38
30 June 2010	$0.18

(B) Remuneration of Directors and other Key Management Personnel

Details of the remuneration of directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

The key management personnel of the Company and the Group include the directors and the following executive officers who have or did have authority and responsibility for planning, directing and controlling the activities of the entity:

- David Okeby – Company Secretary (part-time) and subject to a service agreement.
- Scott Balloch – Chief Financial Officer (part-time) and subject to a service agreement.

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(B) Remuneration of Directors and other Key Management Personnel

2017	Short Term			Post employment	Share-based Payment	Total	% Performance related
	Salary and Fees	Consultancy Agreement	Cash Bonus	Superannuation	Options/ Performance Rights		
Directors							
Peter Cook [1]	15,000	-	-	1,425	-	16,425	-
Paul Cmrlec	-	373,000	60,000	-	286,559	719,559	40
Kyle Edwards [2]	30,000	-	-	2,850	-	32,850	-
Scott Huffadine	295,000	-	-	28,025	184,480	507,505	36
Michael Jefferies [2]	45,000	-	-	4,275	-	49,275	-
David Osikore [1]	10,000	21,523	-	-	-	31,523	-
	395,000	**394,523**	**60,000**	**36,575**	**471,039**	**1,357,137**	**-**
Other key management personnel							
Scott Balloch [3]	59,581	-	-	5,660	33,577	98,818	-
David Okeby [3]	48,228	-	-	4,582	33,577	86,387	-
	107,809	-	-	10,242	67,154	185,205	-
Total	**502,809**	**394,523**	**60,000**	**46,817**	**538,193**	**1,542,342**	**-**

(1) Mr Cook and Mr Osikore resigned on 5 October 2016.

(2) Mr Edwards and Mr Jefferies were appointed on 5 October 2016.

(3) Mr Balloch and Mr Okeby are both employees of Westgold Resources Ltd and their services are invoiced under a service agreement to Pantoro Ltd.

2016	Short Term		Post employment	Share-based Payment	Total	% Performance related
	Salary and Fees	Consultancy Agreement	Superannuation	Options/ Performance Rights		
Directors						
Peter Cook	48,333	-	4,592	-	52,925	-
Paul Cmrlec	-	385,000	-	16,535	401,535	4
Scott Huffadine [1]	134,263	-	12,755	55,236	202,254	-
David Osikore	40,000	36,417	-	-	76,417	-
	222,596	**421,417**	**17,347**	**71,771**	**733,131**	**-**
Other key management personnel						
Scott Balloch[2]	63,599	-	6,042	-	69,641	-
David Okeby[2]	45,523	-	4,325	-	49,848	-
	109,122	**-**	**10,367**	**-**	**119,489**	**-**
Total	**331,718**	**421,417**	**27,714**	**71,771**	**852,620**	**-**

(1) Mr Huffadine commenced employment with Pantoro Ltd on 18 January 2016 and was appointed Operations Director on 15 March 2016.

(2) Mr Balloch and Mr Okeby are both employees of Metals X Ltd and their services are invoiced under a service agreement to Pantoro Ltd.

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(C) Compensation options/rights – Granted and vested during the year

During the 2017 financial year the following was granted as equity compensation benefits to key management personnel.

	Terms and Conditions of Each Grant							
2017	Granted Number	Grant Date	Value per Option/Right at Grant Date $	Exercise Price $	Vesting Date	Expiry Date	Options/ rights vesting during the period	Options/ rights lapsed during the year
Directors and key management personnel								
S Balloch-Options	500,000	1/12/16	0.0775	0.215	1/12/17	1/12/19	-	-
S Balloch-Options	500,000	1/12/16	0.0762	0.220	1/12/18	1/12/19	-	-
P Cmrlec-Options	2,500,000	1/12/16	0.0775	0.215	1/12/17	1/12/19	-	-
P Cmrlec-Options	2,500,000	1/12/16	0.0762	0.220	1/12/18	1/12/19	-	-
P Cmrlec-Rights*	500,000	29/11/16	0.1140	Nil	N/A	29/11/19	-	-
P Cmrlec-Rights*	500,000	29/11/16	0.0560	Nil	N/A	29/11/19	-	-
P Cmrlec-Rights*	500,000	29/11/16	0.1850	Nil	N/A	29/11/19	-	-
P Cmrlec-Rights*	500,000	29/11/16	0.1850	Nil	N/A	29/11/18	-	-
P Cmrlec-Rights*	500,000	29/11/16	0.1850	Nil	N/A	29/11/18	-	-
P Cmrlec-Rights*	500,000	29/11/16	0.1500	Nil	N/A	29/11/18	500,000	-
S Huffadine-Options	2,500,000	1/12/16	0.0775	0.215	1/12/17	1/12/19	-	-
S Huffadine-Options	2,500,000	1/12/16	0.0762	0.220	1/12/18	1/12/19	-	-
S Huffadine-Rights*	500,000	29/11/16	0.1140	Nil	N/A	29/11/19	-	-
S Huffadine-Rights*	500,000	29/11/16	0.0560	Nil	N/A	29/11/19	-	-
S Huffadine-Rights*	500,000	29/11/16	0.1850	Nil	N/A	29/11/19	-	-
D Okeby-Options	500,000	1/12/16	0.0775	0.215	1/12/17	1/12/19	-	-
D Okeby-Options	500,000	1/12/16	0.0762	0.220	1/12/18	1/12/19	-	-

* Vesting Subject to performance hurdles - see E below

For details on the valuation of the options, including models and assumptions used, please refer to note 25.

The value of the share based payments granted during the period is recognised in compensation over the vesting period of the grant.

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REMUNERATION REPORT (CONTINUED)

(D) Security Holdings of Directors and Key Management Personnel

(i) Option and performance right holdings

The numbers of options and performance rights over ordinary shares in the company held during the financial year by directors and other key management personnel, including their personally related parties, are set out below.

30 June 2017	Balance at beginning of year or on appointment	Granted during the year as Compensation	Expired during the year	Exercised during the year	Balance on resignation	Balance at end of year	Vested and exercisable at the end of the year
Directors							
Peter Cook[1]	2,353,407	-	-	-	2,353,407	-	-
Paul Cmrlec[2]	3,617,099	8,000,000	1,500,000	2,617,099	-	7,500,000	-
Kyle Edwards[3]	-	-	-	-	-	-	-
Scott Huffadine[4]	2,057,577	6,500,000	-	-	-	8,557,577	2,057,577
Michael Jefferies[3]	-	-	-	-	-	-	-
David Osikore[1]	-	-	-	-	-	-	-
Key management personnel							
Scott Balloch	500,000	1,000,000	-	-	-	1,500,000	500,000
David Okeby	500,000	1,000,000	-	500,000	-	1,000,000	-
Total	**9,028,083**	**16,500,000**	**1,500,000**	**3,117,099**	**2,353,407**	**18,557,577**	**2,557,577**

(1) Mr Cook and Mr Osikore resigned on 5 October 2016.

(2) Comprises 5,000,000 options and 3,000,000 performance rights-see (E) below for details of performance right hurdles. Of these 500,000 performance rights vested 1 December 2016 after achievement of the performance hurdle (E).

(3) Mr Edwards and Mr Jefferies were appointed on 5 October 2016.

(4) Comprises 5,000,000 options and 1,500,000 performance rights-see (E) below for details of performance right hurdles.

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(ii) Share holdings

The numbers of shares in the company held during the financial year by each director and other key management personnel of the Company, including their personally related parties, are set out below. No shares were granted as remuneration. 2,500,000 shares were issued on the exercise of remuneration options (2016: nil).

30 June 2017	Balance at start of year	Acquired during the year	Disposed during the year	Exercise of options / vesting of performance rights	Other changes during the year	Balance at the end of the year
Directors						
Peter Cook[1]	24,540,077	-	-	-	(24,540,077)	-
Paul Cmrlec	3,281,893	-	-	2,617,099	-	5,898,992
Kyle Edwards[2]	-	50,000	-	-	-	50,000
Scott Huffadine	915,767	-	-	-	-	915,767
Michael Jefferies[2]	-	-	-	-	357,820	357,820
David Osikore[1]	6,120,000	-	-	-	(6,120,000)	-
Key management personnel						
Scott Balloch	24,450	-	-	-	-	24,450
David Okeby	200,000	-	-	500,000	-	700,000
Total	**35,082,187**	**50,000**	**-**	**3,117,099**	**(30,302,257)**	**7,947,029**

(1) Mr Cook and Mr Osikore resigned on 5 October 2016.

(2) Mr Edwards and Mr Jefferies were appointed on 5 October 2016.

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REMUNERATION REPORT (CONTINUED)

(E) Employment Contracts of Directors and Senior Executives

Mr Paul Cmrlec, Managing Director and CEO

Mr Cmrlec was appointed as Managing Director on 4th April 2011.

With effect from 1 April 2014 a renewed three year contract was entered into between Berrimil Services Pty Ltd (a company associated with Mr Cmrlec) and Pantoro Ltd (PNR).

Under the contract Berrimil provides the services of Mr Cmrlec as Managing Director of PNR for a daily consulting fee based on an hourly rate of $200 and capped to a maximum daily amount of $1,600 per day. The fee is all inclusive, with no additional on-costs to be charged by Berrimil.

Mr Cmrlec's remuneration package includes the following incentives:-

(a) 2,500,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.215 expiring 1 December 2019 with a vesting date of 1 December 2017.

(b) 2,500,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.220 expiring 1 December 2019 with a vesting date of 1 December 2018.

(c) 3,000,000 performance rights to be allotted fully paid ordinary shares in PNR with the following terms and performance hurdles:

- 500,000 shares when the Company achieves a $150 million market capitalisation for a period of five successive trading days. This performance hurdle was achieved on 16 January 2017 and shares issued 18 January 2017.
- 500,000 shares when the Company achieves a $200 million market capitalisation for a period of five successive trading days. These rights have an expiry date of 29 November 2019.
- 500,000 shares when the Company achieves a $300 million market capitalisation for a period of five successive trading days. These rights have an expiry date of 29 November 2019.
- 500,000 shares when the Company achieves production of 40,000 ounces of gold over a six month period. These rights have an expiry date of 29 November 2019.
- 500,000 shares when the Company achieves production of 50,000 ounces of gold from grant date. These rights have an expiry date of 29 November 2018.
- 500,000 shares when the Company achieves production of 100,000 ounces of gold from grant date. These rights have an expiry date of 29 November 2018.

The options and performance rights were issued under the terms of the Pantoro's Long Term Incentive Plan and were approved by shareholders at a meeting held on 29 November 2016. To exercise the performance rights, it is a requirement that Mr Cmrlec remains a consultant of the company until the vesting conditions are met. The above performance hurdles were chosen to align Mr Cmrlec's remuneration with the generation of shareholder wealth.

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Mr Scott Huffadine, Operations Director

Mr Huffadine commenced employment with the Company on 18 January 2016 as Chief Operating Officer and was appointed as Operations Director on 15th March 2016. Mr Huffadine is employed under an annual salary employment contract and receives a fixed remuneration of $295,000 (excluding superannuation). Either party may terminate the contract by giving three months' notice.

Mr Huffadine's remuneration package includes the following incentives:-

(a) 2,500,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.215 expiring 1 December 2019 with a vesting date of 1 December 2017.

(b) 2,500,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.220 expiring 1 December 2019 with a vesting date of 1 December 2018.

(c) 1,500,000 performance rights to be allotted fully paid ordinary shares in PNR with the following terms and performance hurdles:

- 500,000 shares when the Company achieves a $200 million market capitalisation for a period of five successive trading days. These rights have an expiry date of 29 November 2019.
- 500,000 shares when the Company achieves a $300 million market capitalisation for a period of five successive trading days. These rights have an expiry date of 29 November 2019.
- 500,000 shares when the Company achieves production of 40,000 ounces of gold over a six month period. These rights have an expiry date of 29 November 2019.

Mr David Okeby, Company Secretary

Mr Okeby has no formal agreement between himself and the Company. His remuneration is by way of a service agreement with Westgold Resources Ltd for services provided to the Company invoiced on an hourly basis.

Mr Scott Balloch, CFO

Mr Balloch has no formal agreement between himself and the Company. His remuneration is by way of a service agreement with Westgold Resources Ltd for services provided to the Company invoiced on an hourly basis.

(F) Other Transactions with Directors and Key Management Personnel

There were no other transactions with Directors and Key Management Personnel.

THIS IS THE END OF THE AUDITED REMUNERATION REPORT

DIRECTORS' REPORT (CONTINUED)

MEETINGS OF DIRECTORS

During the financial year details of meetings of directors held and attendances by each director (while a director of the Company) during the year were as follows:

	Board Meetings	
	Attended	Held
P Cook [1]	3	4
D Osikore [1]	4	4
P Cmrlec	14	14
S Huffadine	13	13
M Jefferies [2]	10	10
K Edwards [2]	10	10

All Directors were eligible to attend all meetings held except Mr Edwards and Mr Jefferies who were appointed on 5 October 2016 and Mr Cook and Mr Osikore who resigned on 5 October 2016.

INDEMNIFYING AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the Company has paid premiums to insure the Directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. The company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. Under the terms and conditions of the insurance contract the premium paid cannot be disclosed.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is contained in the Corporate Governance section of the Report.

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NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Greenwich & Co. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Greenwich & Co received or are due to receive the following amounts for the provision of non-audit services:

Tax compliance services	Nil

The auditor's independence declaration for the year ended 30 June 2017 is on the following page and the declaration forms part of this directors' report.

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



Paul Cmrlec
Managing Director
Dated 21 September 2017

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AUDITOR'S INDEPENDENCE DECLARATION

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Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458
Level 2, 35 Outram Street, West Perth WA 6005
PO Box 983, West Perth WA 6872
T 08 6555 9500 | F 08 6555 9555
www.greenwichco.com

Auditor's Independence Declaration

To those charged with governance of Pantoro Limited

As auditor for the audit of Pantoro Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

i. no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

21 September 2017

Perth

An independent member of Morison KSI | Liability limited by a scheme approved under Professional Standards Legislation



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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

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	Note	30 Jun 17 $	30 Jun 16 $
Revenue	4	63,906,847	19,805,828
Cost of sales	5(a)	(55,662,840)	(18,667,776)
Gross profit		**8,244,007**	**1,138,052**
Other income		41,726	100,603
Other expenses	5(b)	(2,707,721)	(1,571,387)
Finance costs		(31,379)	(464,395)
Operating profit/(loss)		**5,546,633**	**(797,127)**
Fair value change in financial instruments	5(c)	(69,857)	(4,450,672)
Loss on acquisition of remaining Interest	33	(16,303,586)	-
Exploration and evaluation expenditure written off		(4,910,155)	(55,779)
Loss before income tax		**(15,736,965)**	**(5,303,578)**
Income tax expense	6	-	-
Loss after income tax		**(15,736,965)**	**(5,303,578)**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		6,521	(553,846)
Other comprehensive profit / (loss) for the period, net of tax		**6,521**	**(553,846)**
Total comprehensive loss for the period, net of tax		**(15,730,444)**	**(5,857,424)**
Basic loss per share (cents per share)	9	(2.15)	(1.08)
Diluted loss per share (cents per share)	9	(2.15)	(1.08)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 Jun 17 $	30 Jun 16 $
CURRENT ASSETS			
Cash and cash equivalents	10	9,672,046	4,926,473
Trade and other receivables	11	1,163,168	1,377,434
Financial assets at fair value through profit or loss	12	48,462	103,846
Inventories	13	4,845,079	2,219,744
Other assets		394,883	251,071
Total current assets		**16,123,638**	**8,878,568**
NON-CURRENT ASSETS			
Property, plant and equipment	15	9,981,902	8,186,063
Exploration and evaluation expenditure	16	2,314,845	5,789,346
Mine properties and development costs	17	22,107,707	15,244,010
Total non-current assets		**34,404,454**	**29,219,419**
TOTAL ASSETS		**50,528,092**	**38,097,987**
CURRENT LIABILITIES			
Trade and other payables	18	11,162,579	7,181,719
Unearned Income	19	7,405,417	5,173,575
Provisions	20	735,936	431,018
Interest-bearing loans and borrowings	21	-	75,411
Other financial liabilities	22	-	259,580
Total current liabilities		**19,303,932**	**13,121,303**
NON-CURRENT LIABILITIES			
Unearned Income	19	-	1,756,907
Provisions	20	1,965,365	1,373,840
Total non-current liabilities		**1,965,365**	**3,130,747**
TOTAL LIABILITIES		**21,269,297**	**16,252,050**
NET ASSETS		**29,258,795**	**21,845,937**
EQUITY			
Contributed equity	23	173,379,286	150,991,758
Reserves	24	6,302,315	5,540,020
Accumulated losses		(150,422,806)	(134,685,841)
TOTAL EQUITY		**29,258,795**	**21,845,937**

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The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital	Options reserve	Share Based Payment Reserve	Accumulated losses	Foreign currency translation reserve	Total equity
	$	$	$	$	$	$
At 1 July 2015	**139,851,807**	**1,727,125**	**1,573,848**	**(129,382,263)**	**110,035**	**13,880,552**
Loss for the year	-	-	-	(5,303,578)	-	(5,303,578)
Other comprehensive loss	-	-	-	-	(553,846)	(553,846)
Total comprehensive income and expense for the year	**-**	**-**	**-**	**(5,303,578)**	**(553,846)**	**(5,857,424)**
Transactions with owners in their capacity as owners						
Shares issued during the year	4,905,674	-	-	-	-	4,905,674
Exercise of options	1,106,857	-	-	-	-	1,106,857
Performance rights vesting into shares	84,900	-	(84,900)	-	-	-
Convertible note conversions	5,095,833	2,653,500	-	-	-	7,749,333
Convertible note interest paid in shares	118,760	-	-	-	-	118,760
Share issue costs	(172,073)	-	-	-	-	(172,073)
Share-based payments	-	-	114,258	-	-	114,258
At 30 June 2016	**150,991,758**	**4,380,625**	**1,603,206**	**(134,685,841)**	**(443,811)**	**21,845,937**

	Issued Capital	Options reserve	Share Based Payment Reserve	Accumulated losses	Foreign currency translation reserve	Total equity
	$	$	$	$	$	$
At 1 July 2016	**150,991,758**	**4,380,625**	**1,603,206**	**(134,685,841)**	**(443,811)**	**21,845,937**
Loss for the year	-	-	-	(15,736,965)	-	(15,736,965)
Other comprehensive loss	-	-	-	-	6,521	6,521
Total comprehensive income and expense for the year	**-**	**-**	**-**	**(15,736,965)**	**6,521**	**(15,730,444)**
Transactions with owners in their capacity as owners						
Exercise of options	3,970,861	-	-	-	-	3,970,861
Convertible note conversions	216,667	133,333	-	-	-	350,000
Acquisition of minority interest in subsidiary	18,200,000					18,200,000
Share-based payments	-	-	622,441	-	-	622,441
At 30 June 2017	**173,379,286**	**4,513,958**	**2,225,647**	**(150,422,806)**	**(437,290)**	**29,258,795**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 Jun 17 $	30 Jun 16 $
CASH FLOWS USED IN OPERATING ACTIVITIES			
Receipts from trade and other debtors		59,449,177	17,339,626
Payments to suppliers and employees		(39,935,139)	(14,784,090)
Interest paid		(30,186)	(46,255)
Interest received		36,387	83,954
Other income		5,339	16,649
Net cash flows used in operating activities	10	19,525,578	2,609,884
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,517,164)	(3,049,230)
Payments for exploration and evaluation		(1,354,991)	(425,880)
Payments for mine properties and development		(18,012,668)	(10,180,451)
Proceeds from sale of property, plant and equipment		19,500	92,545
Proceeds from sale of Investments		(67,500)	-
Net cash flows used in investing activities		(21,932,823)	(13,563,016)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Gold Prepayment		3,200,000	(3)
Proceeds from Convertible Note		-	3,300,270
Proceeds from share issue	23	3,970,861	6,012,530
Transaction costs on issue of shares		-	(172,073)
Net cash flows from financing activities		7,170,861	9,140,724
Net increase/(decrease) in cash and cash equivalents		4,763,616	(1,812,408)
Net foreign exchange differences		(18,043)	(26,737)
Cash at the beginning of the financial period		4,926,473	6,765,618
Cash and cash equivalents at the end of the period	10	9,672,046	4,926,473

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The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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1. REPORTING ENTITY

Pantoro Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as "the Group" or "Consolidated Entity").

Financial information for Pantoro Ltd as an individual entity is included in note 29.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Compliance with AASB's ensures the financial report also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were approved by the Board of Directors on 21 September 2017.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the Company's functional currency. The functional currency of the Group's Papua New Guinea subsidiary is the PNG Kina and the Mexican subsidiary is MXN Pesos.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Impairment

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions and estimations. Estimations are required of resource and development potential, future market prices, discount rate, exchange rates, rehabilitation, capital and production costs in order to assist in the judgement of the recoverable amount.

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(d) Use of estimates and judgements (Continued)

(ii) Exploration and Evaluation

The consolidated group capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable resources. Capitalisation of expenditure requires the consolidated group to make a judgement on the extent that expenditure on exploration and evaluation assets will likely be recovered in the future through mineral extraction or some other form of commercialisation of the exploration and evaluation stage assets.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the consolidated group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

(iii) Development

Development activities commence after commercial viability and technical feasibility of a project is established. Judgement is applied in determining when a project is commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to the future events.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable Mineral Resources or Ore Reserves.

(iv) Life of mine method of amortisation and depreciation

The Consolidated Entity applies the life of mine method of amortisation and depreciation to its mine specific plant and to mine properties and development based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and production capacity are the Consolidated Entity's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre tax profit and carrying values of assets.

(v) Taxation

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of management and take into account the financial performance and position of the consolidated group as they pertain to current income tax legislation, and the managements understanding thereof. No adjustment has been made for pending or future taxation legislation.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (Continued)

(v) Taxation (Continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets, when recognised, are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are only recognised to the extent that it is probable that there are future taxable profits available against which deductible temporary differences can be utilised.

(vi) Rehabilitation Provision

The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new rehabilitation techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in resources or to production rates. Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

In recognising the amount of rehabilitation obligation at each reporting date, judgement is made on the extent of rehabilitation that the consolidated group is responsible for at each reporting date.

(vii) Share Based Payments to employees

Share-based payment transactions, in the form of options, restricted share units and performance rights, are valued using the pricing models as outlined in Note 25. Models use assumptions and estimates as inputs.

(e) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

(f) Tax consolidation

Pantoro Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group has formed an income tax consolidated group. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

The financial report comprises financial statements for the consolidated entity consisting of the Company and its subsidiaries. The accounting policies set out below have been applied consistently to all the years presented in these consolidated financial statements, unless otherwise stated and have been applied consistently across the Group.

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3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2017 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are entities controlled by the Company. The Company has control over an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries are consistent with the parent.

(iii) Investment in Associate

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounting investees). The consolidated financial statements include the Group's share of the results of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Joint Arrangements

Joint arrangements are arrangements in which one or more parties have joint control. Joint arrangements are classified as either joint operations or joint ventures.

Joint Operations

Joint arrangements are classified as joint operations where the parties to the joint arrangements have rights to the assets and obligations for the liabilities, rather than to the net assets, of the joint arrangements. The Group has recognised its direct right to, as well as its share of jointly held, assets, liabilities, revenues and expenses of joint operations which have been included in the financial statements under the appropriate headings.

Joint Ventures

Interests in joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method of accounting, the group's share of profits or losses of joint ventures are recognised in consolidated profit or loss and the group's share of the movements in other comprehensive income of joint ventures are recognised in consolidated other comprehensive income. The cumulative movements are adjusted against the carrying amount of the investment.

When the group's share of post-acquisition losses in a joint venture exceeds its interest in the joint venture (including any long term interests that form part of the group's net investment in the joint venture), the group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Business combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed when incurred.

Where the group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Where the group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the group had disposed directly of the previously held interest.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Contingent consideration is classified as equity or financial liabilities. Amounts classified as financial liabilities are subsequently remeasured to fair value at the end of each reporting period, with changes in fair value recognised in profit or loss.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the group's controlling shareholder's consolidated financial statements.

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(c) Financial Assets

Recognition

The group recognises receivables on the date that they originate. All other financial assets are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows such that substantially all the risks and rewards of ownership of the financial asset are transferred.

The group has the following financial assets:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that are intended to be sold in the near term.

Financial assets at fair value through profit or loss are measured initially at fair value. They are measured subsequently at fair value with movements in fair value being recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Derivative Financial Instruments

The Group occasionally uses derivative financial instruments such as gold options and gold forward contracts to manage the risks associated with commodity price.

The sale of gold under such hedge instruments is accounted for using the 'own use exemption' under AASB 139 Financial Instruments and as such all hedge revenue is recognised in the Profit and Loss and no fair value adjustments are subsequently made to sales yet to be delivered under the hedging program.

(d) Foreign Currency Transactions and Balances

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Pacific Niugini Ltd's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies have been converted at rates of exchange ruling on the date of those transactions. At balance date, amounts receivable and payable in foreign currencies are translated at rates of exchange current at that date. Realised and unrealised gains and losses are brought to account in determining the profit or loss for the financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign Currency Transactions and Balances (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Share capital, reserves and accumulated losses are converted at applicable historical rates;
- Income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognised on a time proportion basis using the effective interest method.

(f) Income Tax

Income tax expense comprises current and deferred tax. Current tax for the period is the expected tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction. Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and unused tax losses.

Deferred tax is recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates, which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure deferred tax. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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(f) Income Tax (Continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income and directly in equity are also recognised in other comprehensive income and directly in equity respectively.

(g) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and Cash Equivalents

For statement of cash flow purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments traded in active markets

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Fair Value Estimation (Continued)

Financial instruments traded in active markets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method

(k) Property, Plant and Equipment

Recognition and measurement

Each class of property, plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated using the straight line basis over the estimated useful life of the asset which ranges between 3 and 25 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Capital work in progress is not depreciated until it is ready for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

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(l) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest in accordance with AASB 6: Exploration and Evaluation Expenditure. These costs are only carried forward where the rights to the area of interest are current and to the extent that they are expected to be recouped through the successful development or sale of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

(m) Mine properties and development

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment

The carrying value of capitalised mine properties and development expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(n) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Consolidated Entity has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(o) Rehabilitation costs

The Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Rehabilitation costs (Continued)

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

(p) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefits assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss.

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Non-current assets (or disposal groups) are presented separately from other assets or liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

(t) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay when the liabilities are settled, including related on-costs, such as workers compensation insurance and payroll tax.

(iii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

(u) Share-based payment transactions

The fair value of employee share options and performance rights is measured using an options pricing model. Measurement inputs include share price on a measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) New Accounting Standards and Interpretations

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2016. Adoption of these Standards and Interpretations did not have any effect on the financial position or the performance of the Consolidated Entity.

New and amended standards and interpretations issued but not yet effective

The following standards and interpretations have been issued but are not yet effective for the year ending 30 June 2017. Standards impacting the Consolidated Entity in future periods are still currently being assessed. The accounting policies adopted are consistent with those of the previous financial year except as follows:

Reference and Title	Summary	Expected impact on Pantoro	Application date of standard*	Application date for Consolidated Entity*
AASB 9 Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. Financial assets (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.	The Company has determined that AASB 9 will have no material impact on the way the Consolidated Entity accounts for its financial instruments as it does not apply hedge accounting and does not believe that the credit risk associated with its receivables is material. The Company is still assessing whether there will be any material impact on classification.	1 January 2018	1 July 2018

Reference and Title	Summary	Expected impact on Pantoro	Application date of standard*	Application date for Consolidated Entity*
	(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. Impairment The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.			

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NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

Reference and Title	Summary	Expected impact on Pantoro	Application date of standard*	Application date for Consolidated Entity*
AASB 15 Revenue from Contracts with Customers	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations. AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: a) Step 1: Identify the contract(s) with a customer b) Step 2: Identify the performance obligations in the contract c) Step 3: Determine the transaction price d) Step 4: Allocate the transaction price to the performance obligations in the contract e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation	The Company is currently evaluating all revenue streams to determine the potential impact related to the adoption of AASB 15, as well as potential disclosures required by the standard. Based on our analysis within the adoption plan completed to date, the Company preliminarily does not believe there will be significant change in the amount of revenue recognised under the new standard.	1 January 2018	1 July 2018

Reference and Title	Summary	Expected impact on Pantoro	Application date of standard*	Application date for Consolidated Entity*
AASB 16 Leases	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: a) AASB 117 Leases b) Interpretation 4 Determining whether an Arrangement contains a Lease c) SIC-15 Operating Leases—Incentives d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.	As at 30 June 2017, the Company has non-cancellable operating leases in relation to property leases on office rental, non-cancellable operating leases in relation to power generation facilities, and other non-cancellable leases. Management is continuing to determine the extent that these operating leases will be recognised as assets and liabilities on the Company's statement of financial position, the impact on profit and classification of the related cash flows.	1 January 2019	1 July 2019

* Designates the beginning of the applicable annual reporting period unless otherwise stated

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4. REVENUE AND INCOME

	2017 $	2016 $
Revenue from sale of gold	63,906,847	19,805,828
Total revenue	63,906,847	19,805,828
OTHER INCOME		
Interest received - other corporations	36,387	83,954
Other income	5,339	16,649
Total other income	**41,726**	**100,603**

5. ADMINISTRATION AND OTHER EXPENSES

		2017 $	2016 $
(a)	**Cost of Sales**		
	Salaries, wages expense and other employee benefits	(13,138,533)	(5,279,868)
	Other production costs	(23,330,960)	(8,462,647)
	Royalties	(1,505,546)	(459,500)
	Write-down in value of inventories to estimated net realisable value	(715,792)	(104,336)
	Depreciation and amortisation expense		
	Depreciation of non-current assets		
	Property, plant and equipment	(1,008,579)	(511,739)
	Buildings	(27,309)	(27,462)
	Amortisation of non-current assets		
	Mine properties and development costs (refer Note 17)	(15,936,121)	(3,822,224)
	Total cost of sales	(55,662,840)	(18,667,776)
(b)	**Other Expenses by function**		
	Administration Expenses		
	Salaries, wages expense and other employee benefits	(122,218)	(148,231)
	Directors' fees and other benefits	(113,918)	(94,850)
	Share based payments	(622,441)	(114,258)
	Consulting expenses	(656,834)	(503,688)
	Travel and accommodation expenses	(19,980)	(26,462)
	Administration costs	(1,174,834)	(598,049)
	Depreciation expense		
	Depreciation of non-current assets		
	Property, plant and equipment	(2,996)	(23,771)
	Total administration expenses	(2,713,221)	(1,509,309)

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5. ADMINISTRATION AND OTHER EXPENSES

	2017 $	2016 $
Other expenses		
Foreign exchange gain/(loss)	-	5,779
Profit/(loss) on disposal of property, plant and equipment	5,500	(67,857)
	5,500	(62,078)
Total other expenses by function	(2,707,721)	(1,571,387)
(c) Fair value change in financial instruments		
Available for sale financial assets - listed entities (Level 1)	(55,384)	83,077
Fair value change in derivatives (refer notes 21 and 22)	(14,473)	(4,533,749)
Total fair value change in financial instruments	(69,857)	(4,450,672)

6. INCOME TAX

	2017 $	2016 $
(a) Income Tax Expense		
Current tax	101,769	(5,045,486)
Deferred tax	230,525	4,814,907
Tax loss not recognised	677,762	644,444
(Under)/Over provision for prior years	(1,010,056)	(413,865)
Tax expense	-	-
(b) A reconciliation between tax expense and the production of accounting loss before income tax multiplied by the Consolidated Entity's applicable tax rate is as follows:		
Accounting loss before tax	(15,736,965)	(5,303,578)
At statutory income tax rate of 30% (2016: 30%)	(4,721,089)	(1,591,073)
Non-deductible items		
Other permanent differences	(28,766)	(33,908)
Share based payments	186,732	34,277
Convertible note expenses	4,342	1,360,125
Loss on acquisition of remaining interest	4,891,076	-
Tax loss not recognised	677,761	644,444
(Under)/Over provision for prior years	(1,010,056)	(413,865)
Income tax expense/(benefit) reported in statement of comprehensive income	-	-

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6. INCOME TAX (CONTINUED)

(c) Deferred tax asset

Unused tax losses and other temporary differences not brought to account:		
-temporary differences	3,892,897	(691,485)
-tax losses:		
Domestic/foreign operating losses	14,120,818	12,576,066
capital losses	773,038	773,038
	18,786,753	12,657,619

(d) Deferred Tax Liability

The balance comprises temporary differences attributable to:		
Exploration and evaluation assets	187,008	187,008
Total deferred tax liabilities	187,008	187,008

7. KEY MANAGEMENT PERSONNEL

	2017 $	2016 $
Short-term employee benefits	957,332	753,135
Post-employment benefits	42,542	27,714
Share-based payments	538,193	71,771
	1,538,067	852,620

8. AUDITORS' REMUNERATION

	2017 $	2016 $
Audit services:		
Amounts paid or payable for audit of the financial statements for the company or any entity in the Group.		
- Greenwich & Co	49,885	28,000
- Somes Cooke	-	10,000
- Sinton Spence Chartered Accountants (PNG)	8,325	6,731
	58,210	44,731
Taxation services:		
Amounts paid or payable for taxation services performed for the company or any entity in the Group.		
- Greenwich & Co	-	5,558
- Sinton Spence Chartered Accountants (PNG)	1,980	3,706
	1,980	9,264

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9. EARNINGS PER SHARE

	2017 $	2016 $
Net loss attributable to ordinary equity holders	(15,736,965)	(5,303,578)
Net loss attributable to ordinary shareholders for diluted earnings per share	(15,736,965)	(5,303,578)
Basic loss per share (cents)	(2.15)	(1.08)
Fully diluted loss per share (cents)	(2.15)	(1.08)
Weighted average number of ordinary shares for basic earnings per share	731,107,238	490,998,106
Effect of dilution:		
Share options	-	-
	731,107,238	490,998,106
Weighted average number of ordinary shares adjusted for the effect of dilution	731,107,238	490,998,106

At 30 June 2017 43,458,143 (2016: 90,842,493) options, 4,500,000 performance rights (2016: 2,500,000) and no convertible notes (2016: 100) were outstanding which could potentially dilute basic earnings in the future. Because there is a loss these would have an anti-dilutive effect and therefore diluted earnings per share is the same as basic earnings per share.

10 CASH AND CASH EQUIVALENTS

	30 June 17 $	30 June 16 $
Cash at bank and in hand	9,672,046	4,926,473
Total	9,672,046	4,926,473
Reconciliation of the net loss after tax to net cash flows from operations		
Loss after tax	(15,736,965)	(5,303,578)
Non-cash adjustment to reconcile loss before tax to net cash flows:		
Depreciation & Amortisation	16,975,005	4,385,196
Gold prepayment physical deliveries	(4,457,670)	(2,466,202)
Share based payments	622,441	114,257
Unrealised foreign exchange difference	-	(5,778)
Exploration and evaluation expenditure written off	4,910,155	55,779
Change in FV of financial instruments	55,384	(83,077)
Gain/Loss On Financial Instruments	14,473	4,533,749
Unrealised convertible note effective and real interest	1,193	418,140
(Profit)/loss on disposal of assets	(5,500)	67,857

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10 CASH AND CASH EQUIVALENTS

	30 June 17 $	30 June 16 $
Loss on acquisition of remaining interest (refer note 33)	16,303,586	-
Unwinding rehab provision	(9,156)	7,919
Working capital adjustments:		
(Increase)/decrease in operating receivables	(10,683)	(443,154)
(Increase)/decrease in operating assets	(2,625,335)	(2,167,671)
Increase/(decrease) in operating trade and other payables	3,285,188	2,756,166
Increase/(decrease) in provisions	203,462	740,281
Net cash from/(used in) operating activities	**19,525,578**	**2,609,884**

11 TRADE AND OTHER RECEIVABLES

	30 June 17 $	30 June 16 $
Other receivables (i)	1,047,616	1,171,668
Bulletin Resources Limited (ii)	-	205,766
Security bonds (iii)	115,552	-
	1,163,168	1,377,434

(i) Other receivables are non-interest bearing and are generally on 30-90 day terms.

- The carrying amounts disclosed represent the fair value.

- There are no past due nor impaired receivables at 30 June 2017.

(ii) The receivable relates to gold deliveries into Bulletin's gold prepayment facility pending the completion of the acquisition of their 20% in the Halls Creek project.

(iii) Cash deposits used for government tenement bonds, office lease bond and miscellaneous security deposits.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 17 $	30 June 16 $
Financial assets at 30 June at fair value (current)	48,462	103,846

The financial assets at fair value are held for trading and comprise only equity investments quoted on ASX and have been valued at the market prices ruling on 30 June 2017.

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13 INVENTORIES

	30 June 17 $	30 June 16 $
Ore stocks at net realisable value	2,271,097	196,465
Gold in circuit at cost	1,798,446	1,234,782
Bars in Transit	-	649,455
Stores and spares at cost	775,536	139,042
	4,845,079	2,219,744

14 OTHER ASSETS

	30 June 17 $	30 June 16 $
Current		
Prepayments	394,883	251,071

15 PROPERTY, PLANT AND EQUIPMENT

	30 June 17 $	30 June 16 $
Plant and equipment		
At cost	10,041,485	7,348,321
Accumulated depreciation	(1,976,093)	(891,894)
Net carrying amount	8,065,392	6,456,427
Land and buildings		
At cost	589,571	396,960
Accumulated depreciation	(92,101)	(25,835)
Net carrying amount	497,470	371,125
Capital work in progress at cost	1,419,040	1,358,511
Total property, plant and equipment	9,981,902	8,186,063
Movement in plant and equipment		

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15 PROPERTY, PLANT AND EQUIPMENT

	30 June 17 $	30 June 16 $
At 1 July net of accumulated depreciation	6,456,427	1,749,909
Additions	1,419,109	5,396,844
Bulletin 20% (refer note 33)	1,182,969	-
Disposals	(55,000)	(184,847)
Depreciation charge for the year	(979,014)	(502,716)
Foreign exchange movements	(99)	(2,763)
Impairment reversal	41,000	-
At 30 June net of accumulated depreciation	8,065,392	6,456,427
Land and buildings		
At 1 July net of accumulated depreciation	371,125	-
Additions	93,371	396,960
Bulletin 20% (refer note 33)	92,781	-
Depreciation charge for the year	(59,807)	(25,835)
At 30 June net of accumulated depreciation	497,470	371,125
Capital works in progress		
At 1 July	1,358,511	6,207,100
Additions	2,517,164	3,052,973
Bulletin 20% (refer note 33)	289,628	-
Transfer to mine property and development	(1,233,783)	(2,107,758)
Transfer to plant and equipment	(1,419,109)	(5,396,844)
Transfer to land and buildings	(93,371)	(396,960)
At 30 June	1,419,040	1,358,511

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16 EXPLORATION AND EVALUATION ASSETS

	30 June 17 $	30 June 16 $
Opening balance	5,789,346	5,933,690
Expenditure for the period	1,354,991	425,574
Bulletin 20% (refer note 33)	56,060	-
Exploration and evaluation expenditure written off	(4,710,747)	(50,176)
Foreign exchange movements	(174,805)	(519,742)
Closing balance	2,314,845	5,789,346

The ultimate recoupment of costs carried forward in respect of areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. The Company has an interest in certain exploration licences and the amounts shown above include amounts expended to date in the acquisition and/or exploration of those tenements.

Impairment

Recovery of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. During the year, tenements which were or are to be relinquished or for which no substantial expenditure is planned, have been fully written off.

17 MINE PROPERTY AND DEVELOPMENT

	30 June 17 $	30 June 16 $
Opening Balance	15,244,010	6,778,618
Expenditure for the period	21,566,035	10,179,858
Transfer from property, plant and equipment	1,233,783	2,107,758
Amortisation (refer Note 5(a))	(15,936,121)	(3,822,224)
Closing Balance	22,107,707	15,244,010

The amounts above relate solely to the Halls Creek gold project primarily for underground and open pit mine capital development.

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18 TRADE AND OTHER PAYABLES

	30 June 17 $	30 June 16 $
Trade payables (i)	7,685,360	5,470,764
Sundry payables and accrued expenses (ii)	3,477,219	1,659,050
Related party payables (refer note 32)	-	51,905
	11,162,579	7,181,719

(i) Trade payables are non-interest bearing and generally on 30 day terms.

(ii) Sundry payables and accruals are non-interest bearing and generally on 30 day terms.

Due to the short term nature of these payables, their carrying value approximates their fair value.

19 UNEARNED INCOME

	30 June 17 $	30 June 16 $
Gold Prepayment (Current)	7,405,417	5,173,575
Gold Prepayment (Non-current)	-	1,756,907

In February 2015, subsidiary Halls Creek Mining Pty Ltd ("HCM") drew down on a newly established $9,200,000 gold pre-pay facility with Commonwealth Bank of Australia ("CBA"). The loan was repayable in gold ounces over 22 instalments commencing 30 November 2015 and finishing 31 August 2017. In July 2016 CBA agreed to defer repayments due on this prepayment facility to accommodate development of the high grade Rowdies and Wagtail open pits and to provide Pantoro with working capital and operational flexibility. Repayments recommenced on December 2016 and will finish 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 loan value of $1,732,601 as at that date. Repayments commenced on December 2016 and will finish in December 2017.

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

During the period 3,180 ounces were delivered to CBA.

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

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20 PROVISIONS

	30 June 17 $	30 June 16 $
Current		
Provision for annual leave	735,936	430,933
Provision for fringe benefits tax payable	-	85
	735,936	431,018
Non-current		
Provision for long service leave	16,025	16,627
Provision for deferred tax liability (i)	187,008	187,008
Provision for rehabilitation (ii)	1,762,332	1,170,205
	1,965,365	1,373,840

(i) Deferred tax liability arising on the fair value adjustment of the PNG exploration and evaluation assets acquired in 2009.

(ii) Environmental obligations associated with the retirement or disposal of mining properties and/or of exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured as the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the statement of comprehensive income and an increase in the provision), and additional disturbances/change in the rehabilitation cost are recognised as additions/changes to the corresponding asset and rehabilitation liability.

Movements in provisions		
Opening balance	1,373,840	1,368,375
Arising during the year	591,525	5,465
Adjustment due to revised conditions	-	-
Closing balance	1,965,365	1,373,840

21 INTEREST-BEARING LOANS AND BORROWINGS

	30 June 17 $	30 June 16 $
Current		
Convertible notes (i)	-	75,411
	-	75,411

(i) The Company issued convertible notes valued at a total of $3,300,000 in July 2015, interest bearing at 8% and maturing 31 December 2017, as announced on the ASX 14 July 2015. The notes are convertible into fully paid ordinary shares at $0.06 per share. If the notes are converted in the first year after issue one bonus option will be issued per share converted. If converted after the first year one bonus option will be issued per two shares converted. The options will have an exercise price of $0.06 and expire two years from issue.

During the current year $100,000 of convertible notes were converted into 1,666,667 shares and 1,666,667 unlisted options. As at 30 June 2017 there were no convertible notes outstanding.

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22 OTHER FINANCIAL LIABILITIES

	30 June 17 $	30 June 16 $
Current		
Convertible note derivatives (ii)	-	259,580
	-	259,580

(ii) The Company issued convertible notes (refer note 21) containing embedded derivatives. The embedded derivatives were valued on issue date and have been separated out from the convertible notes (refer note 21). The embedded derivatives are carried at fair value (level 2) through profit and loss (refer note 5(c)).

The derivatives relate to the convertible notes issued during the current period. There are two contained derivatives being the conversion feature of the notes and the bonus options. The bonus options fail the fixed for fixed test due to the interest being payable in a variable number of shares and therefore, do not meet the definition of equity. The fair values are determined using a Black & Scholes model, which takes into account factors including the exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying shares at the transaction date and the expected life of the notes. Below are the inputs used to value the derivative:

	Convertible Notes	Bonus Options
Expected volatility (%)	60%	60%
Risk-free interest rate (%)	1.93%	1.93%
Expected life (yrs)	2.48	2.00
Option exercise price ($)	$0.060	$0.060
Share price at grant date ($)	$0.044	$0.044
Maturity Date	31-Dec-17	N/A

The derivative was valued at $605,000 on inception (14 July 2015) and at 30 June 2017 had no value after all convertibile notes had been converted (2016: $128,333). The bonus options were valued at $593,545 on inception (14 July 2015) and at 30 June 2017 had no value after all convertible notes had been converted (2016: $131,247).

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23 ISSUED CAPITAL

	30 June 17 $	30 June 16 $
(a) Ordinary Shares		
Issued and fully paid	173,379,286	150,991,758

(b) Movements in ordinary shares on issue

	Number	$
At 1 July 2015	**392,453,924**	**139,851,807**
Placement	98,113,480	4,905,674
Exercise of options	18,447,621	1,106,857
Performance rights vesting into shares	1,300,000	84,900
Convertible note conversions	53,333,344	5,095,833
Convertible note interest paid in shares	1,663,819	118,760
Share issue costs	-	(172,073)
At 30 June 2016	**565,312,188**	**150,991,758**
At 1 July 2016	565,312,188	150,991,758
Exercise of options	64,181,017	3,970,861
Performance rights vested	500,000	-
Convertible note conversions	1,666,667	216,667
Acquisition of minority interest in subsidiary (refer note 33)	130,000,000	18,200,000
At 30 June 2017	**761,659,872**	**173,379,286**

(c) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up the Company the holders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

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23 ISSUED CAPITAL (CONTINUED)

(d) Options and performance rights outstanding

At balance date there were unissued ordinary shares of the company under option and performance rights as follows:

Type	Expiry Date	Exercise Price ($)	2017 Number	2016 Number
Listed options	25/08/2017	0.06	16,428,142	48,942,491
Unlisted options	21/11/2016	0.09	-	2,000,000
Unlisted options	26/02/2018	0.06	-	4,833,334
Unlisted options	17/03/2018	0.06	1,500,000	1,500,000
Unlisted options	26/05/2018	0.06	5,333,334	12,000,001
Unlisted options	23/06/2018	0.06	-	16,666,667
Unlisted options	30/06/2018	0.10	1,150,000	2,650,000
Unlisted options	7/07/2018	0.06	1,666,667	-
Unlisted options	30/01/2019	0.10	2,250,000	2,250,000
Unlisted options	1/12/2019	0.215	6,050,000	-
Unlisted options	1/12/2019	0.22	6,050,000	-
Unlisted options	23/12/2019	0.19	1,515,000	-
Unlisted options	23/12/2019	0.20	1,515,000	-
Unlisted performance rights	21/11/2016	nil	-	1,500,000
Unlisted performance rights	30/01/2017	nil	-	500,000
Unlisted performance rights	1/12/2018	nil	1,000,000	-
Unlisted performance rights	30/01/2019	nil	500,000	500,000
Unlisted performance rights	1/12/2019	nil	3,000,000	-
Total			**47,958,143**	**93,342,493**

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23 ISSUED CAPITAL (CONTINUED)

(e) Shares issued on exercise of options

Date of option conversion	Number of options	Price per option	Expiry date	Increase in contributed equity
12 July 2016	31,250	6 cents	25 Aug 17	1,875
25 July 2016	100,000	6 cents	25 Aug 17	6,000
10 August 2016	4,302	6 cents	25 Aug 17	258
19 August 2016	25,766	6 cents	25 Aug 17	1,546
23 August 2016	591,862	6 cents	25 Aug 17	35,512
24 August 2016	11,248,628	6 cents	25 Aug 17	674,918
30 August 2016	1,196,346	6 cents	25 Aug 17	71,781
6 September 2016	26,300	6 cents	25 Aug 17	1,578
24 October 2016	1,050,000	6 cents	25 Aug 17	63,000
2 November 2016	7,000	6 cents	25 Aug 17	420
16 November 2016	117,099	6 cents	25 Aug 17	7,026
10 August 2016	1,500,000	6 cents	25 Aug 17	90,000
23 August 2016	3,333,334	6 cents	25 Aug 17	200,000
24 August 2016	6,666,667	6 cents	25 Aug 17	400,000
1 September 2016	16,666,667	6 cents	25 Aug 17	1,000,000
8 September 2016	500,000	10 cents	30 Jun 18	50,000
22 September 2016	500,000	10 cents	30 Jun 18	50,000
12 December 2016	500,000	10 cents	30 Jun 18	50,000
16 November 2016	2,000,000	9 cents	22 Nov 16	180,000
10 February 2017	500,000	6 cents	25 Aug 17	30,000
15 February 2017	47,500	6 cents	25 Aug 17	2,850
15 March 2017	1,500,000	6 cents	25 Aug 17	90,000
10 April 2017	120,000	6 cents	25 Aug 17	7,200
3 May 2017	348,594	6 cents	25 Aug 17	20,916
8 May 2017	300,000	6 cents	25 Aug 17	18,000
15 May 2017	1,192,890	6 cents	25 Aug 17	71,573
13 June 2017	365,556	6 cents	25 Aug 17	21,933
29 June 2017	13,741,256	6 cents	25 Aug 17	824,475
Total	**64,181,017**			**3,970,861**

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24 RESERVES

	30 June 17 $	30 June 16 $
Options Reserve	4,513,958	4,380,625
Share Based Payment Reserve	2,225,647	1,603,206
Foreign Currency Translation Reserve	(437,290)	(443,811)
	6,302,315	5,540,020

(a) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiaries.

(b) Option reserve

The option reserve records items recognised as expenses on valuation of share options issued to third parties.

(c) Share based payment reserve

The share based payment reserve records items recognised as expenses on valuation of the options and performance rights issued to directors and employees.

25 SHARE BASED PAYMENTS

	2017 $	2016 $
Share-based payment expenses recognised during the financial year		
Equity settled options/rights issued to directors	471,039	71,771
Equity settled options/rights issued to employees/consultants	157,281	50,457
Equity settled options/rights expired/did not vest	(5,879)	(7,970)
	622,441	114,258

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25 SHARE BASED PAYMENTS (CONTINUED)

The weighted average remaining contractual life of share options and performance rights outstanding at the end of the financial year was 2.22 years (2016: 1.50 years)

Details of Share-based payments made during the 2017 financial year:

(a) On 1 December 2016 4,500,000 performance rights to be allotted fully paid ordinary shares in PNR were issued to employees with the following performance hurdles:

- 500,000 shares when the Company achieves a $150 million market capitalisation for a period of five successive trading days.
- 1,000,000 shares when the Company achieves a $200 million market capitalisation for a period of five successive trading days.
- 1,000,000 shares when the Company achieves a $300 million market capitalisation for a period of five successive trading days.
- 1,000,000 shares when the Company achieves production of 40,000 ounces of gold over a six month period.
- 500,000 shares when the Company achieves production of 50,000 ounces of gold from grant date.
- 500,000 shares when the Company achieves production of 100,000 ounces of gold from grant date.

(b) On 1 December 2016 6,050,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.215 expiring 1 December 2019 were issued to employees.

(c) On 1 December 2016 6,050,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.22 expiring 1 December 2019 were issued to employees.

(d) On 23 December 2016 1,675,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.19 expiring 23 December 2019 were issued to employees.

(e) On 23 December 2016 1,675,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.20 expiring 23 December 2019 were issued to employees.

Details of Share-based payments made during the 2016 financial year:

(f) On 8 February 2016 2,250,000 options to acquire fully paid ordinary shares in PNR at an exercise price of $0.10 expiring 30 January 2019 were issued to employees.

(g) On 8 February 2016 500,000 performance rights to be allotted fully paid ordinary shares in PNR were issued to employees with the following performance hurdles:

- 500,000 shares when PNR achieves positive net cash flow (all capital costs recovered) from the Nicolson's Project.

25 SHARE BASED PAYMENTS (CONTINUED)

Fair Value of Options and Rights Granted

The weighted average fair value of options and rights granted during the year was 16.5 cents (2016: 8.2 cents). The fair value at grant date is estimated using a Black & Scholes model that takes into account the share price at grant date, exercise price, expected volatility, option or right life, expected dividends, the risk free rate, and the fact that the options and rights are not tradeable. The pricing model and inputs used for the options and rights granted during the year ended 30 June 2017 are set out in the table below:

2017 Financial Year	Employee Options	Employee Options	Employee Performance Rights (Tranche A, B & F)	Employee Performance Rights (Tranche C, D & E)
Number of options/rights	6,050,000 / 6,050,000	1,675,000 / 1,675,000	1,500,000	1,500,000
Pricing model used to calculate fair value	Black-Scholes	Black-Scholes	5 day VWAP	Adjusted number of equity instruments
Consideration	nil	nil	nil	nil
Expected life of instruments (yrs)	3.0	3.0	3.0	3.0
Exercise price	$0.215 / $0.220	$0.19 / $0.20	nil	nil
Grant date	01-Dec-16	23-Dec-16	29-Nov-16	29-Nov-16
Vesting date	01-Dec-17 / 01-Dec-18	23-Dec-17 / 23-Dec-18	-	-
Expiry date	01-Dec-19	23-Dec-19	29-Nov-19 / 29-Nov-18	29-Nov-19 / 29-Nov-18
Share price at grant date ($)	$0.190	$0.170	$0.176	$0.185
Fair value at grant date ($)	$0.0775 / $0.0762	$0.0701 / $0.0676	$0.114 / $0.056 / $0.150	$0.185
Expected Volatility (%)	65%	65%	N/A	N/A
Expected dividend yield %	nil	nil	nil	nil
Risk-free interest rate (%)	1.93%	2.04%	N/A	N/A

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25 SHARE BASED PAYMENTS (CONTINUED)

2016 Financial Year	Employee Options	Employee Performance Rights
Number of options/rights	2,250,000	500,000
Pricing model used to calculate fair value	Black-Scholes	10 day VWAP
Consideration	nil	nil
Expected life of instruments (yrs)	3.0	3.0
Exercise price	$0.10	nil
Grant date	08-Feb-16	08-Feb-16
Vesting date	08-Feb-16	-
Expiry date	30-Jan-19	30-Jan-19
Share price at grant date ($)	$0.080	$0.080
Fair value at grant date ($)	$0.028	$0.078
Expected Volatility (%)	60%	N/A
Expected dividend yield %	nil	nil
Risk-free interest rate (%)	1.86%	N/A

Summary of share-based payment option/rights issued

The following table illustrates the number and weighted average exercise prices (WAEP) of share-based payment options and rights issued during the financial year.

	2017 Number	2017 WAEP	2016 Number	2016 WAEP
Outstanding at the beginning of the year	9,400,000	0.063	11,150,000	0.063
Expired during the year	(1,500,000)	-	(500,000)	0.185
Granted during the year	19,950,000	0.165	2,750,000	0.082
Forfeited during the year	(320,000)	0.195	(2,700,000)	0.059
Exercised during the year	(4,500,000)	0.073	(1,300,000)	0.071
Outstanding at the year end	23,030,000	0.155	9,400,000	0.063
Exercisable at the year end	3,400,000	0.100	6,900,000	0.097

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26 COMMITMENTS

(a) Operating lease commitments

The Company has entered into a commercial property lease on office rental. The Company has entered into a commercial leases on power generation facilities and underground mining equipment. These operating leases have an average life of between one month and five years with renewal options included in the contracts. There are no restrictions placed on the lessee by entering into these contracts.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2017 $	2016 $
Within one year	1,524,804	-
After one year but not more than five years	3,870,512	-
	5,395,316	-

(b) Exploration commitments

In order to maintain current rights of tenure to exploration permits and licences, the entity has certain obligations to expend minimum amounts of money. The following exploration expenditure requirements have not been provided for in the financial report and are payable:

	2017 $	2016 $
Within one year	362,927	350,962
After one year but not more than five years	869,989	723,296
After more than five years	791,400	853,800
	2,024,316	1,928,058

27 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at balance date.

28 SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the financial year 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.

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29 PARENT ENTITY INFORMATION

The following information relates to the parent entity, Pantoro Ltd. The information presented here has been prepared using consistent accounting policies as presented in Note 3.

	2017 $	2016 $
Current assets	4,482,191	2,199,022
Non-current assets	33,124,005	29,802,361
Total assets	37,606,196	32,001,383
Current liabilities	1,677,589	648,249
Non-current liabilities	-	-
Total liabilities	1,677,589	648,249
Net assets	35,928,607	31,353,134
Issued capital	173,379,287	150,991,759
Accumulated losses	(144,190,285)	(125,622,456)
Option premium reserve	4,513,958	4,380,625
Share-based payments reserve	2,225,647	1,603,206
Total shareholders' equity	35,928,607	31,353,134
Net loss of the parent entity	18,567,829	6,032,258
Other comprehensive income for the year	-	-
Total comprehensive income for the year	18,567,829	6,032,258

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Nil

Contingent liabilities of the parent entity

Nil

Contractual commitments by the parent entity for the acquisition of property, plant or equipment

Nil

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30 FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash held at financial institutions.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Carrying Amount	
		2017	2016
	Note	$	$
Cash and cash equivalents	10	9,672,046	4,926,473
Trade and other receivables	11	1,163,168	1,377,434

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. All cash is held with Westpac, Commonwealth and ANZ banks.

Trade and other receivables

As the Group operates primarily in gold mining and exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

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30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-5 years	5+ years
30 June 2017						
Trade and other payables	11,162,579	11,162,579	11,162,579	-	-	-
	11,162,579	11,162,579	11,162,579	-	-	-
30 June 2016						
Trade and other payables	7,181,719	7,181,719	7,181,719	-	-	-
	7,181,719	7,181,719	7,181,719	-	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's net income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Consolidated Entity is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Consolidated Entity's functional and presentation currency. As a result of subsidiary companies having Papua New Guinea Kina (PGK) and Mexican Pesos (MEX) functional currencies, the Consolidated Entity's statement of financial position can be affected by movements in the AUD/PGK and AUD/MEX exchange rates. The Consolidated Entity's exposure to foreign currency is however not considered to be significant.

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30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value or future cash flows will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposits with reputable financial institutions at interest rates maturing over 90-180 day rolling periods or less.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount	
	2017	2016
	$	$
Cash and cash equivalents		
Cash at bank and on hand	9,667,491	4,873,695
Short term deposits	4,555	52,778
	9,672,046	4,926,473

Sensitivity analysis

The Board has estimated that given market conditions a change of 50 basis points in interest rates is appropriate to assess the Group's sensitivity to variable rate instruments. A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

Group

	Profit/Equity	
	50bp increase	50bp decrease
30 June 2017	$	$
Variable rate instruments	48,340	(48,340)
30 June 2016		
Variable rate instruments	24,632	(24,632)

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30 FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity Price Risk

Equity price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Group is exposed to equity price risk arising from its financial assets at fair value through profit or loss. With respect to the equity price risk arising from these financial assets, the maximum exposure is equal to the carrying amount of the financial assets at fair value through profit or loss which at reporting date is $48,462 (2016 $103,846).

Based on the equity investments held at the end of the financial year, had the Australian Securities Exchange strengthened/ weakened by 10% with all other variables held constant, the Group's pre-tax profit and equity would have been $5,000 higher/lower (2016: $10,000).

Commodity Price Risk

The Group is exposed to the risk of fluctuations in the prevailing market prices for the gold and silver currently produced from its operating mine. The Group manages this risk through the use of gold forward contracts. As at reporting date the Group has contractual sale commitments of 17,552 ounces of gold at an average price of A$1,722 per ounce (2016: 11,720 ounces at A$1,568 per ounce).

Fair values

The carrying amounts of financial assets and liabilities approximate fair value. The basis for determining fair values is disclosed in note 12.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration, evaluation and development activities. The Group monitors capital on the basis of the gearing ratio, however there are no external borrowings as at reporting date.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Capital comprises equity as disclosed in the statement of financial position.

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31 OPERATING SEGMENTS

For management purposes, the Consolidated entity is organised into operating segments determined by location. The Consolidated Entity comprises the following reportable segments:

- Nicolsons Project: Mining, treatment, exploration and development of gold assets.
- PNG Exploration: Mineral exploration within PNG.

Executive management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The following table presents revenue and profit information regarding the Consolidated Entity's operating segments for the years ended 30 June 2017 and 30 June 2016.

Year ended 30 June 2017	PNG Exploration	Nicolsons Gold Project	Total segments	Unallocated	Consolidated
External revenue					
Revenue from sale of gold	-	63,906,847	63,906,847	-	63,906,847
Interest received	-	19,090	19,090	17,297	36,387
Other income	-	5,339	5,339	-	5,339
Total revenue	-	63,931,276	63,931,276	17,297	63,948,573
Results					
Segment profit/(loss)	(5,571,870)	7,741,597	2,169,727	(17,906,692)	(15,736,965)

Year ended 30 June 2016	PNG Exploration	Nicolsons Gold Project	Total segments	Unallocated	Consolidated
External revenue					
Revenue from sale of gold	-	19,805,828	19,805,828	-	19,805,828
Interest received	358	54,391	54,749	29,205	83,954
Other revenue	-	-	-	16,649	16,649
Total revenue	358	19,860,219	19,860,577	45,854	19,906,431
Results					
Segment (loss)/profit	(1,976,291)	854,279	(1,122,012)	(4,181,566)	(5,303,578)

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31 OPERATING SEGMENTS (CONTINUED)

The following table presents segment assets and liabilities of the Consolidated Entity's operating segments as at 30 June 2017 and 30 June 2016.

	PNG Exploration	Nicolsons Gold Project	Total segments	Unallocated	Consolidated
As at 30 June 2017					
Segment assets	865,205	44,824,125	45,689,330	4,838,762	50,528,092
Segment liabilities	(252,510)	(19,339,197)	(19,591,707)	(1,677,590)	(21,269,297)
As at 30 June 2016					
Segment assets	5,507,808	29,942,283	35,450,091	2,647,896	38,097,987
Segment liabilities	(321,640)	(15,282,159)	(15,603,799)	(648,251)	(16,252,050)

The following table presents segment capital expenditure of the Consolidated Entity's operating segments for the years ended 30 June 2017 and 30 June 2016.

	PNG Exploration	Nicolsons Gold Project	Total segments	Unallocated	Consolidated
Capital Expenditure					
30 June 2017	194,906	26,753,722	26,948,628	2,042	26,950,670
30 June 2016	229,188	19,233,553	19,462,741	(10,532)	19,452,209

Unallocated

Corporate income and expenses are not allocated to individual segments.

Taxes and certain financial assets and liabilities are not allocated to segments as they are managed on a group basis.

Reconciliation of Profit	30 Jun 17 $	30 Jun 16 $
Segment (loss)/profit	2,169,727	(1,122,012)
Corporate expenses	(828,556)	(1,157,136)
Loss on disposal of assets	-	-
Loss on Acquisition of minority interest	(16,303,586)	-
Exploration and evaluation assets written off	-	9,867
Fair value change in financial instruments	(69,857)	(4,450,672)
Finance costs	(14,138)	(450,360)
Exchange differences on translation of foreign operations	(690,555)	1,866,735
Total consolidated loss before tax	(15,736,965)	(5,303,578)

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31 OPERATING SEGMENTS (CONTINUED)

Reconciliation of Assets	30 Jun 17 $	30 Jun 16 $
Segment operating assets	45,689,330	35,450,091
Unallocated cash and receivables	4,482,190	2,222,779
Unallocated plant and equipment	308,110	321,271
Unallocated financial assets	48,462	103,846
Group operating assets	50,528,092	38,097,987

Reconciliation of Liabilities	30 Jun 17 $	30 Jun 16 $
Segment operating liabilities	(19,591,707)	(15,603,799)
Trade and other payables	(1,646,041)	(299,883)
Provision for employee benefits	(31,549)	(13,377)
Other financial liabilities	-	(334,991)
Group operating liabilities	(21,269,297)	(16,252,050)

32 RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Pantoro Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	Percentage Owned 2017	Percentage Owned 2016
Pantoro Limited	Australia		
Subsidiaries and Associates of Pantoro Limited			
Chrome Holdings SA Pty Ltd	Australia	100%	100%
Halls Creek Mining Pty Ltd	Australia	100%	100%
Pacific Niugini Minerals Pty Ltd	Australia	100%	100%
Pacific Niugini Minerals (PNG) Ltd	PNG	100%	100%
Pacific Niugini Minerals (Bulolo) Ltd	PNG	100%	100%
Sonora Australia Mining SA DE CV	Mexico	100%	100%

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32 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Ultimate Parent

The group ultimate parent company is Pantoro Limited.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in the remuneration report in the directors report.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances on related party payables at year-end, refer to note 18):

	Consolidated Entity			
	2017	2016	2017	2016
	Sales to related parties (inc. GST)		Purchases from related parties (inc. GST)	
Other related parties:				
Metals X Limited*	-	-	86,310	318,632

	Consolidated Entity			
	2017	2016	2017	2016
	Amounts owed by related parties (inc. GST)		Amounts owed to related parties (inc. GST)	
Other related parties:				
Metals X Limited*	-	-	-	51,905

Metals X Limited had two common directors (Mr Paul Cmrlec and Mr Peter Cook) with Pantoro Ltd until 5 October 2016 when Mr Cook resigned from the Pantoro board and Mr Cmrlec resigned from the Metals X Ltd board.

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33 ASSET ACQUISITION

On 14 July 2016 Pantoro completed the acquisition of the remaining 20% of the Halls Creek Project from Bulletin Resources Limited (Bulletin). Pantoro through its wholly owned subsidiary Halls Creek Mining Pty Ltd now has 100% of the Halls Creek Project. Consideration for the acquisition was 130,000,000 fully paid ordinary shares in Pantoro. From 1 May 2016 Pantoro was responsible for 100% of the costs and revenues in relation to the project.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition are:

Assets	**$**
Property, plant and equipment	1,565,378
Exploration and evaluation expenditure	56,060
Mine properties and development costs	3,292,687
	4,914,125
Liabilities	
Trade and other payables	9,079
Unearned income	1,732,601
Provisions	292,551
	2,034,231
Net assets acquired	**2,879,894**
Cost of the acquisition	
Shares issued at fair value	(18,200,000)
Stamp duty assessed on transaction	(786,794)
Gold delivered into Bulletin gold prepay facility prior to settlement	(196,686)
Loss on acquisition of remaining interest in Halls Creek Project	16,303,586
	(2,879,894)

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DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

In the directors' opinion:

(a) the financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and :

  (i) comply with Accounting Standards and the Corporations Regulations 2001 and:

  (ii) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated entity.

(b) the consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(d) the remuneration disclosures set out in the Directors' Report as part of the audited Remuneration Report) for the year ended 30 June 2017 comply with section 300A of the Corporations Act 2001.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

P.M.

Paul Cmrlec
Managing Director

Dated 21 September 2017

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INDEPENDENT AUDITOR'S REPORT

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Independent Audit Report to the members of Pantoro Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pantoro Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition
Refer to Note 4, Revenue ($63.9 million) and accounting policy Note 3(e)

Key Audit Matter	How are audit addressed the matter
The Group has a large revenue stream relating to the sale of gold. Revenue recognition is considered to be a significant audit risk as it is they key driver of returns to investors.	Our audit work included, but was not restricted to the following: • Obtained an understanding of the processes surrounding revenue; • Analytical procedures were performed over revenue recorded during the year and the receivable balance a year end; • Substantive tests were performed checking the receipt of income to the bank statements; • Obtained reports from the Perth Mint and traced sales through to the accounting ledger; and • Cut-off around the year end was tested to check income is recognised in the correct accounting period.

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INDEPENDENT AUDITOR'S REPORT

Carrying Value of Mine Properties and Development Costs
Refer to Note 17Mine Properties and Development Costs ($22.1 million) and accounting policy Note 3(m).

Key Audit Matter	How are audit addressed the matter
Mine Properties and Development costs represents a significant balance recorded in the consolidated statement of financial position. There are a number of judgements required in determining whether there are indicators that the current carrying value is less than the recoverable amount due to the current economic conditions, uncertainty of future use, and potential volatility of commodity prices.	Our audit work included, but was not restricted to the following: • Enquiring with management, reviewing the Groups ASX announcements, and reviewing minutes of Board meetings; • Understanding and challenging managements assumptions and analysis of their assessment as to whether impairment indicators exist in relation to the mine properties and development; and • Reviewing and checking managements amortisation calculations and ensure they are consistently applied across the periods.

Carrying Value of Property, Plant and Equipment
Refer to Note 15, Property, Plant and Equipment ($9.9 million) and accounting policy Note 3(k)

Key Audit Matter	How are audit addressed the matter
Property, plant and equipment represents a significant balance recorded in the consolidated statement of financial position. The evaluation of the recoverable amount of these assets requires significant judgement in determining whether indicators of impairment exist.	Our audit work included, but was not restricted to the following: • Understanding and challenging managements assumptions and analysis of their assessment as to whether impairment indicators exist in relation to the plant and equipment; and • Examination of managements latest NPV estimations in relation to planned activities. • Challenging managements assessments of future utilisation of property plant and equipment.

Carrying Value of Inventories
Refer to Note 13, Inventories ($4.8 million) and accounting policy Notes 3(j)

Key Audit Matter	How are audit addressed the matter
The Group held a significant amount of inventory, as at 30 June 2017 which related to ore stocks at net realisable value, gold in circuit at cost, metals account and stores and spares at cost. It is a material balance for the Group which requires management judgement in determining an appropriate costing basis and assessing if this is at the lower of cost and net realisable value.	Our audit work included, but was not restricted to the following: • Considering the Group's accounting policies and application thereof in respect of ore and concentrate stockpile, gold in circuit, raw materials and stores; • Obtaining a detailed understanding of the system the Group uses to physically control inventories at the different stages of production; • Assessing the accuracy of the inventory calculations; and • Tested a sample of inventory items to identify whether they were recorded at a value higher than that for which they could be sold.

Capitalised Exploration and Evaluation asset
Refer to Note 16, Exploration and evaluation asset ($2.3 million) and accounting policy Note 3(l)

Key Audit Matter	How are audit addressed the matter
Pantoro Limited has a significant amount of capitalised exploration expenditure. As the carrying value of exploration expenditure represents a significant asset of the company, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, the asset was required to be assessed for impairment.	Our audit work included, but was not restricted to, the following: • Obtained evidence that the company has valid rights to explore in the areas represented by the capitalised exploration by obtaining independent searches of a sample of the group's tenement holdings; • Enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the company's areas of interest were planned; • Enquired with management, reviewed announcements and minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest; and • Enquired with management to ensure that the company had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or sale.

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INDEPENDENT AUDITOR'S REPORT

Recognition and Measurement of Rehabilitation Process

Refer to Note 20, Rehabilitation Provisions ($1.9 million) and accounting policy Note 3(o).

Key Audit Matter	How are audit addressed the matter
The calculation of this provision requires judgment in estimating the future costs, the timing as to when the future costs will be incurred and the determination of an appropriate rate to discount the future costs to their net present value. The Group reviews rehabilitation obligations that have arisen annually, or as new information becomes available, including an assessment of the underlying assumptions used, effects of any changes in local regulations, and the expected approach to rehabilitation.	Our audit work included, but was not restricted to the following: • Assessing the Group's process for determining the rehabilitation provision, and enquired about material movements in the provision during the year; • Evaluating the legal and/or constructive obligations with respect to the rehabilitation for all mine sites and processing facilities, the intended method of rehabilitation and the associated cost estimates; and • Assessing the accuracy of the calculations used to determine the rehabilitation provision including the discount rate applied.

Other Information

The directors are responsible for the other information. The other information obtained at the date if this auditor's report is included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 20 to 28 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Pantoro Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

21 September 2017

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CORPORATE GOVERNANCE STATEMENT

Current as at 21 September 2017 and approved by the board.

This Corporate Governance Statement discloses the extent to which the Company will, as at the date it is re-admitted to the official list of the ASX, follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Charters, Policies & Procedures are available on the Company's website at http://www.niugini.com.au/Investors/Corporate-Governance

The table below summarises the Company's compliance with the ASX Corporate Governance Council's Principles and Recommendations:

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Principle 1: lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	Yes	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the role and specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of individual Directors, the Chairman and Managing Director, as well as the roles and responsibilities of Executive Directors, Non-Executive Directors and management, details of the Board's relationship with management, details of the Board's performance review, and details of the Directors' right to seek independent advice. A copy of the Company's Board Charter is available on the Company's website.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 1.2 A listed entity should: (a) (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.	Yes	(a) The Company has guidelines for the appointment and selection of the Board in its Nomination Charter. The Statement of Selection, Appointment and Re-Election of Directors Charter requires the Board to ensure appropriate checks are undertaken before appointing a Director (including a review of qualifications, capabilities, ability to serve, conflicts of interest and other relevant factors). (b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. (c) Guidelines for evaluating Board candidates and recommending individuals for Board appointments are set out in the Company's Statement of Selection, Appointment and Re-Election of Directors Policy which is available on the Company's website.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Partially	Although not prescribed under the Company's corporate governance charters, polices or procedures, the Company ensures that each Director is a party to a written agreement with the Company which sets out the terms of that Director's appointment. The Company has written agreements with each of its Directors. The Company's Company Secretary and Chief Financial Officer are engaged through a service agreement with Westgold Resources Limited.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Yes	The Board Charter sets out that the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: • the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or • if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.	Partially	(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives and to assess annually both the objectives if any have been set and the Company's progress in achieving them. (b) The Diversity Policy is available on the Company's website. (c) (i) The Board does not presently intend to set measurable gender diversity objectives because: • - the Board does not anticipate there will be a need to appoint any new Directors or senior executives due to limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and • - if it becomes necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit: and (ii) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report.
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	(a) The Board is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. The process for this is set out in the Company's Board Performance Evaluation Policy, which is available on the Company's website. (b) The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process. It was not completed in the current reporting period due to Board changes.

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RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 1.7 A listed entity should: (c) have and disclose a process for periodically evaluating the performance of its senior executives; and (a) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	(a) The Board is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Board is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non executive Director. The applicable processes for these evaluations can be found in the Company's Board Performance Evaluation Policy and Remuneration Charter which are both available on the Company's website. (b) The Company intends to complete performance evaluations in respect of senior executives for the financial year in accordance with the above process. It was not completed in the current reporting period due to Board changes.
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	Yes	(a) The Company does not have a Nomination Committee. (b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively: (i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
Recommendation 2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	No	(a) Under the Nomination Charter and the Statement of Selection, Appointment and Re-election of Directors, the Board is required to implement processes to assess the necessary and desirable competencies of Board members, including, experience, expertise, skills, diversity and performance of the Board and its committees to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. (b) Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report and on the Company's website.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 2.3 A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director	Yes	(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report and on its ASX website. (b) The Company will disclose in its Annual Report and ASX website any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent. (c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year. The Company considers the Chairman Michael Jefferies to be independent. Mr Jefferies has served with the Company since 5 October 2016. Mr Jefferies are not a member of management and are is free of any business or other relationship that could materially interfere with - or could reasonably be perceived to materially interfere with - the independent exercise of their judgement.
(d) Recommendation 2.4 (e) A majority of the Board of a listed entity should be independent Directors.	No	The Company's Board Charter sets out the Company's priority to achieve an appropriate balance between independent and non-independent representation on the Board. The Board currently comprises a total of four directors, one whom one is considered to be independent. As such, independent directors are not currently a majority of the Board. The Board does not currently consider an independent majority of the Board to be appropriate given: (a) the speculative nature of the Company's business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of four (4) Directors and no senior executives other than the executive Director(s), Company Secretary and CFO; (b) the Company considers at least one (1) Director needs to be an executive Directors for the Company to be effectively managed; (c) the Company considers it necessary, given its speculative and small scale activities, to attract and retain suitable Directors by offering Directors an interest in the Company; and (d) the Company considers it appropriate to provide remuneration to its Directors in the form of securities in order to conserve its limited cash reserves.
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Yes	The Chairman of the Company is an independent Director.

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RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 2.6 A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	Yes	In accordance with the Company's Nomination Charter and Board Charter, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of	Yes	(a) The Company's Employee Code of Conduct applies to the Company's Directors, senior executives and employees. The company also has a Directors and Executive Officers Code of Conduct which sets ethical standards for the Board and Executive Officers. (b) The Company's Employee Code of Conduct and the Directors and Executive Officers Code of Conduct are available on the Company's website.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes	(a) The Company does not have an Audit Committee. (b) The Company does not have an Audit Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Audit Charter and Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit Committee under the Audit Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Company's Audit Charter requires the Board to review and approve the Company's annual financial report. The Company obtains a Managing Director and CFO sign off on these terms for each of its financial statements in each financial year.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company will ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	(a) The ASX Disclosure Policy provides details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The ASX Disclosure Policy is available on the Company website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance is available in the Corporate Governance Charters, Policies and Procedures which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communication Policy which aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website.

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RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Shareholder Communication Policy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	Yes	(a) The Company does not have a Risk Committee. A copy of the Risk Management Policy is available on the Company's website. (b) The Company does not have a Risk Committee as the Board consider the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by a Risk Committee under the Risk Management Policy including the following processes to oversee the entity's risk management framework: (i) The Managing Director is accountable to the Board, for ensuring that the risk management system is implemented and maintained in accordance with the Risk Management Policy. Assignment of responsibilities in relation to risk management is the prerogative of the Board. (ii) Senior Executives are accountable for strategic risk management within areas under their control including the dissemination of the risk management process to operational managers. Collectively the Senior Executive is responsible for: • The formal identification of strategic risks that impact upon the Company; • Allocation of priorities; • The development of strategic risk management plans; • The Senior Executive review progress against agreed risk management plans.
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period, whether such a review has taken place.	Yes	(a) The Risk Management Policy requires that the Board should, at least annually, satisfy itself that the Company's risk management framework continues to be sound. (b) A review of the Company's Risk Management Policy was undertaken by the Board during the year when it reviewed the Company's Corporate Governance Policies and Statements.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	(a) The Audit Charter provides for the Board to monitor the need for an internal audit function. The Company has an internal audit function. The function is structured as follows: (i) The Board shall discuss with management, the internal auditors, and the external auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs (eg the Company's Codes of Conduct). (ii) Any opinion obtained from the internal or external auditors on the Company's choice of accounting policies or methods should include an opinion on the appropriateness and not just the acceptability of that choice or method. (iii) The Board shall periodically meet separately with management, the internal auditors, and the external auditors to discuss issues and concerns warranting committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement. (iv) The Board shall provide sufficient opportunity for the internal auditors and the external auditors to meet privately with the members of the committee. The Audit Committee shall review with the external auditors any audit problems or difficulties and management's response. (v) The Board shall receive regular reports from the external auditor on the critical policies and practices of the Company, and all alternative treatments of financial information, within generally accepted accounting principles, that have been discussed with management.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	The Risk Management Policy requires the Board to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. Although not prescribed under the Company's Corporate Governance Charters, Polices and Procedures, the Company will disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.

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RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Yes	(a) The Company does not have a Remuneration Committee. (b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive the Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.	Yes	Although not prescribed under the Company's Corporate Governance Charters, Polices and Procedures, the Board will disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the Company's Annual Report.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No	(a) The Company has an equity based remuneration plan being the Pantoro Limited Long Term Incentive Plan under which options and performance rights may be granted. The Company does not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

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INTERESTS IN MINING TENEMENTS

AS AT 21 SEPTEMBER 2017

Halls Creek, Western Australia	Status	Interest %
E80/5062	Application	100%
E80/5120	Application	100%
E80/2601	Granted	100%
E80/3861	Granted	100%
E80/4458	Granted	100%
E80/4459	Granted	100%
E80/5003	Granted	100%
E80/5004	Granted	100%
E80/5005	Granted	100%
E80/5006	Granted	100%
E80/5054	Granted	100%
L80/0070	Granted	100%
L80/0071	Granted	100%
M80/0343	Granted	100%
M80/0355	Granted	100%
M80/0359	Granted	100%
M80/0362	Granted	100%
M80/0471	Granted	100%
M80/0503	Granted	100%
P80/1842	Granted	100%
P80/1843	Granted	100%
P80/1844	Granted	100%
P80/1845	Granted	100%
P80/1846	Granted	100%

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Papua New Guinea	Status	Interest %
EL 2518	Application	100%
EL 1629	Granted	Option to acquire 100%
EL 2321	Granted	100%
ML 457	Granted	50%

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SECURITY HOLDER INFORMATION

AS AT 20 SEPTEMBER 2017

(a) Top 20 Quoted Shareholders

	Units	%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	177,048,989	22.61
CITICORP NOMINEES PTY LIMITED	96,331,025	12.30
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	83,514,992	10.67
J P MORGAN NOMINEES AUSTRALIA LIMITED	51,203,611	6.54
AJAVA HOLDINGS PTY LTD	11,138,544	1.42
SHR PTY LTD	10,213,932	1.30
LIBERTY MANAGEMENT PTY LTD <LIBERTY SUPERANNUATION FUND>	9,920,000	1.27
BNP PARIBAS NOMINEES PTY LTD <JARVIS A/C NON TREATY DRP>	9,459,635	1.21
ALL-STATES FINANCE PTY LTD	9,324,707	1.19
JAMARI PTY LTD <JAMARI P/L STAFF SUPER A/C>	9,000,000	1.15
BRESRIM NOMINEES PTY LTD <DA HANNES SUPER FUND #2 A/C>	8,335,375	1.06
RELLAV PTY LTD <THE COSGROVE SUPER FUND A/C>	7,000,000	0.89
BERRIMIL SERVICES PTY LTD <BERRIMIL SERVICES A/C>	5,244,617	0.67
MR JONATHAN JOSEPH MAXIME MARTIN	5,140,694	0.66
TEMOREX PTY LTD <NITRAM FAMILY A/C>	5,000,000	0.64
PICCADILLY VIEWS PTY LTD <SS OXENHAM FAMILY A/C>	4,797,514	0.61
ONMELL PTY LTD <ONM BPSF A/C>	4,700,000	0.60
ALL STATES SECRETARIAT PTY LIMITED <ALL-STATES SEC LTD S/F A/C>	4,500,000	0.57
MR DAVID MIRINGTORO OSIKORE	4,000,000	0.51
DBA CORP PTY LTD <DENNIS BRANDT FAMILY A/C>	3,903,847	0.50
Total	**519,777,482**	**66.38**

(b) Distribution of quoted ordinary shares

Size of parcel	Number of share holders	Number of shares
1 - 1,000	206	49,366
1,001 - 5,000	410	1,439,833
5,001 - 10,000	288	2,365,918
10,001 - 100,000	1,005	40,620,464
100,001 -	431	738,591,229
Total	**2,340**	**783,066,810**

(c) Number of holders with less than a marketable parcel of ordinary shares

	Number of share holders	Number of shares
Minimum $ 500.00 parcel at $ 0.220 per unit (2,273 shares).	**289**	**208,286**

(d) Substantial Shareholders

	Units	%
ROBMAR INVESTMENTS PTY LTD	149,909,201	19.68%

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(e) Voting Rights

The voting rights for each class of security on issue are:

Ordinary fully paid shares

Each ordinary shareholder is entitled to one vote for each share held.

Unquoted Options

The holders of options have no rights to vote at a general meeting of the company.

Unquoted Employee/Consultant Options

The holders of options have no rights to vote at a general meeting of the company.

Unquoted Performance Rights

The holders of performance rights have no rights to vote at a general meeting of the company.

(f) Unquoted Equity Securities

Unquoted Employee/ Consultant Options	Exercise Price	Expiry Date	Number of Holders
1,150,000	$0.10	30/06/2018	3
2,250,000	$0.10	30/01/2019	2
6,050,000	$0.215	01/12/2019	5
6,050,000	$0.22	01/12/2019	5
1,345,000	$0.19	23/12/2019	51
1,345,000	$0.20	23/12/2019	51
18,190,000			

Unquoted Performance Rights	Exercise Price	Expiry Date	Number of Holders
250,000	Nil	30/01/2019	1
1,000,000	Nil	01/12/2018	1
3,000,000	Nil	01/12/2019	2
4,250,000			

Unquoted Options	Exercise Price	Maturity Date	Number of Holders
1,666,667	$0.06	26/05/2018	1
1,666,667	$0.06	07/07/2018	1
3,333,334			

(g) Substantial Holders of Unquoted Securities (Above 20%)

Unquoted Options, Exercise Price $0.06, Expiring 26/05/2018

	Units	%
MR JONATHAN JOSEPH MAXIME MARTIN	1,666,667	100%

Unquoted Options, Exercise Price $0.06, Expiring 07/07/2018

	Units	%
HANNES INVESTMENTS PTY LTD	1,666,667	100%

Unquoted employee/consultant options and performance rights are issued under an employee incentive scheme.

JORC CODE 2012 EDITION – TABLE 1

SECTION 1: SAMPLING TECHNIQUES AND DATA – NICOLSONS

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 report relates to the annual update of the Mineral Resource and Ore Reserve statement for Nicolsons Find (Nicolsons) deposit at the Nicolsons gold project. • The Nicolson's deposit has been sampled predominantly by RC, underground diamond, historical earth saw lines within the existing open pit, underground face sampling, minor Kempe Diamond drilling and minor historical RAB about the Nicolson's open pit area. • Samples from the 2014 drill program are RC collars with diamond drill tails. Face chip samples were taken in accordance with observed geological features and are considered representative of the development face. • For RC drilling, measures taken to ensure sample representivity include the presence of a geologist at the rig whilst drilling, cleaning of the splitter at the end of every 3 m drill string, confirmation that drill depths match the accompanying sample interval with the drilling crew and the use of duplicate and lab/blank standards in the drilling programme. • Face Sampling, each development face / round is chip sampled perpendicular to mineralisation. The sampling intervals are domained by geological constraints (e.g. rock type, veining and alteration / sulphidation etc.). The majority of exposures within the orebody are sampled • For surface diamond drilling, measures taken include regular survey of drill holes, cutting of core along the orientation line where possible, and half core is submitted to an accredited laboratory. Industry standard blanks and standards are also submitted and reported by the laboratory. Drilling is completed in HQ3 or NQ2. HQ3 or NQ2 core is logged and sampled according to geology, with only selected samples assayed. Core is halved, with one side assayed, and the other half retained in core trays on site for further analysis. Samples are a maximum of 1m, with shorter intervals utilised according to geology. • For underground diamond drilling, measures taken include regular survey of drill holes, cutting of core along the orientation line where possible, and half core is submitted to an accredited laboratory. Industry standard blanks and standards are also submitted and reported by the laboratory. Drilling is completed in LTK 60. LTK 60 core is logged and sampled according to geology, with only selected samples assayed. Core is halved, with one side assayed, and the other half retained in core trays on site for further analysis. Samples are a maximum of 1m, with shorter intervals utilised according to geology. • Kempe Diamond drill core (LTK48 diameter) was hole core sampled ie all of the core was sampled and assayed.

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Criteria	JORC Code explanation	Commentary
		• No information has been recorded for historic sampling of the earth saw trenches and RAB in terms of the sample sizes and method of splitting. The lack of the information is not considered material to the estimation. • 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 programs 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 drilling was completed with several rigs. All RC rigs used face sampling hammers with bit size of 140 – 146mm. Historical holes used a 130 mm bit size). Aircore drilling was completed by the RC rig with an aircore bit assembly. • HQ 3 Diamond drilling was conducted in 2014 for geotechnical and assay data. Diamond holes were oriented using a Reflex orientation tool. Diamond holes were geologically and geotechnical logged. • Underground face samples, were chipped from the desired domain(rock type) using an Estwing geology hammer. A number of chips were taken between knee and head height from the geological domain to obtain a representative sample. The chips were put in a pre numbered sample bags. • Earth saw trenches were used to grade control the historic Nicolsons pit the trenches were sampled at meter intervals. No other information was recorded for the method. • LTK60 core is drilled with an Atlas Copco U6 DH Rig With Rod Handler and wire line. • LTK48 is drilled using a Kempe U2 Rig air rig
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 recorded. Recovery for older (pre 2011) holes is unknown. • All drilling was completed within rig capabilities. Surface Rigs used auxiliary air boosters when appropriate to maintain sample quality and representivity. Where aircore drilling could not provide sufficient penetration an RC drilling set-up was used. • There is no known relationship between recovery and grade. Diamond drilling of oxide and transitional material in previous campaigns noted high core loss in mineralised zones. No core loss was noted in fresh material. Good core recovery has generally been achieved in all sample types in the current drilling programs.

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Criteria	JORC Code explanation	Commentary
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 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. • Underground development faces are mapped geologically. • Geotechnical logging of diamond holes included the recording of recovery, RQD, structure type, dip, dip direction, alpha and beta angles, shape, roughness and fill material of fractures • All drill chips were logged on 1 m increments, the minimum sample size. A subset of all chip samples is kept on site for reference. • Diamond drilling was logged to geological boundaries and is considered quantitative. Core was photographed. • All drilling has been logged apart from diamond drill pre-collars.
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.	• Core samples were sawn in half with one half used for assaying and the other half retained in core trays on site for future analysis. • RC drill chip samples were collected with either a three-tier, rotary or stationary cone splitter depending on the drill rig used. Aircore drill samples were subset using a 3 tier riffle splitter. Most (> 95%) of samples are recorded as being dry. • Face Chips samples are nominally chipped perpendicular to mineralisation across the face from left to right, and sub-set via geological features as appropriate • All RC and aircore sample splitting was to 12.5 % of original sample size or 2 – 3 kg, typical of standard industry practice. Samples greater than 3 kg were split on site before submission to the laboratory. • For core samples, core was separated into sample intervals and separately bagged for analysis at the certified laboratory. • The cyclone and splitter were cleaned every rod string and more frequently when requested by the geologist. In the case of spear sampling for re-splitting purposes, several spears through the entirety of the drill spoil bag were taken in a systematic manner to minimise bias. • Core was cut under the supervision of an experienced geologist, was routinely cut on the orientation line. • Duplicate samples were taken every 20 m from a second cut of the splitter in the case of a cone splitter, or from a reject split in the case of a riffle splitter. Certified standards were inserted into the sample batch at a rate of 1 in 20 throughout all drilling programmes.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation		• Gold at Hall's Creek is fine- to medium-grained and a sample size of 2 – 3 kg is considered appropriate. • Half core is considered appropriate for diamond drill samples.
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 WA • Gold assays are determined using fire assay with 40g charge and AAS finish. Other elements were assayed using acid digest with ICP-MS finish. Screen fire assays consists of screening 500g of the sample to 106 microns. The plus fraction is fire assayed for gold and a duplicate assay is performed on the minus fraction. The size fraction weights, coarse and fine fraction gold content and total gold content are reported. The methods used approach total mineral consumption and are typical of industry standard practice. • Face samples are assayed in the site lab utilising Leachwell bottle roll methodology representing CN recoverable gold. Any samples over 2g/t Au are sent to a certified laboratory in Perth WA lab for confirmation fire assay. All underground face samples prior to March 2017 were fire assayed at an external laboratory. • No geophysical logging of drilling was performed. This is not relevant to the style of mineralisation under exploration. • Lab standards, blanks and repeats are included as part of the QAQC system. In addition the laboratory had 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. QA/QC review on previous drilling shows a negative bias with several of the external certified standards.
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. Some significant intersections have been resampled and assayed to validate results. Diamond drilling confirms the width of the mineralised intersections. • The current drill program includes holes testing the current resource and twinning existing RC holes as shown on announcement sections. • All primary data is logged on paper and later entered into the 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 both onsite and in the Perth office. • No adjustments have been made to assay data.

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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.	• Surface drilling is surveyed using DGPS with an accuracy of ± 0.3m. Underground Drilling is surveyed using a total station with an accuracy of ± 0.2m. Downhole surveys are conducted during drilling using single shot cameras at 10 m then every 30 m thereafter. Later drilling was downhole surveyed using a Reflex survey tool. Underground mine workings used in the Mineral Resource estimation are surveyed by company surveyors utilising standard underground survey equipment(Leica jiggers) and established survey controls.Mine workings (open pits) were surveyed by external surveyors using RTK survey equipment. A subset of historical holes was surveyed to validate collar coordinates. • 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 + 101.799 • Topographic control uses DGPS collar pickups and external survey RTK data and is considered adequate for use.
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 hole spacing at Nicolson's is generally between 10 m by 10 m and 30 m x 30 m in the upper areas of the deposits and extends to 40 m x 40 m at depths greater than 200 m. • The Competent Person is of the view that the drill spacing, geological interpretation and grade continuity of the data supports the resource categories assigned. • Where used historically sample compositing to 3m occurred in holes above predicted mineralized 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	• 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.	• Surface Drilling is predominantly at 270° to local grid at a dip of -60°. Local structures strike north-south on the local grid and dip at 60°E. No bias of sampling is believed to exist through the drilling orientation • Underground development sampling is nominally undertaken normal to the various orebodies. • Underground drill holes are designed to drill across geological structures i.e. not along geological structures.
Sample security	• The measures taken to ensure sample security.	• The chain of custody is managed by Pantoro employees and consultants. Samples are stored on site and delivered in sealed boxes and bags to the lab in Perth. Samples are tracked during shipping. Samples are reconciled at the assay lab.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• A review of the resource was carried out by an independent consultancy firm when the project was acquired from Bulletin. No significant issues were noted. • A review of the historic sampling techniques was carried out by an independent consultancy in relation to prior Mineral Resource estimation for Bulletin Resources in 2011/12 on behalf of the previous owners. No significant issues were noted in the 2007-2011 dataset.

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SECTION 2: REPORTING OF EXPLORATION RESULTS – NICOLSONS

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.	• Tenements containing Mineral Resources and Ore Reserves are 100% held by Pantoro subsidiary company Halls Creek Mining Pty Ltd. This is: M80/359.Tenement transfers to HCM are yet to occur as stamp duty assessments have not been completed by the office of state revenue. 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	• Acknowledgment and appraisal of exploration by other parties.	• 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 Mineral Resource estimate for the Nicolsons Find deposit. 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 Nicolsons and the Wagtail Deposits and completed regional exploration drilling and evaluation and completed a Mining Study in 2012 which included Mineral Resource and Ore Reserves completed by independent consultants prior to entering into a JV with PNR in 2014.Review of available reports show work to follow acceptable to standard industry practices.
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 tur-biditic 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 800m 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, re-flecting 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.

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Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• 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.	• No exploration results are reported as part of this release, results relating to the deposits have been previously released.
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.	• No exploration results are reported as part of this release, results relating to the deposit have been previously released.

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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').	• Drilling is predominantly at 270° to local grid at a dip of -60°. Local structures strike 0° to the local grid and dip at 60°E (i.e. having a 60° intersection angle to lode structures). Deeper holes have some drill hole deviation which decreases or increases the intersection angle, but not to a significant extent. • Face mapping data supports widths interpreted from drill holes • Downhole lengths are reported and true widths are approximately 60 – 90% of down-hole length. True widths are calculated and reported for any drill intersections > 1 ppm Au.
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.	• No exploration Results are reported as part of this release, and therefore no diagrams are included.
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.	• Results greater than 1 ppm Au have been previously reported for the recent drilling.
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 relevant exploration other than those previously reported have been conducted in the reporting period.
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.	• Underground diamond drilling is ongoing on a continuous shift basis and will continue to test for the extension of the deposit which remains open.

SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES – NICOLSONS FIND

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Data input has been governed by lookup tables and programmed import of assay data from lab into database. The database has been checked against the original assay certificates and survey records for completeness and accuracy. • Data was validated by the geologist after input. Data validation checks were carried out by an external database manager in liaison with Pantoro personnel. The database was further validated by external resource consultants prior to resource modelling. An extensive review of the data base was undertaken when Pantoro acquired the project,and external data review is ongoing.

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Criteria	JORC Code explanation	Commentary
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The Competent Person regularly visits the site and has a good appreciation of the mineralisation styles comprising the Mineral Resource.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Confidence in the geological interpretation is generally proportional to the drill density. Surface mapping confirms some of the orientation data for the main mineralised structures. • Data used for the geological interpretation includes surface and trench mapping and drill logging data. Underground face sampling, face geology and backs mapping were also utilized from close spaced level development is also used where available. • In general the interpretation of the mineralised structures is clear. • Geological interpretation of the data was used as a basis for the lodes which were then constrained by cut-off grades. • Geology and grade continuity is constrained by quartz veining within the NFSZ and by parallel structures for the other prospects.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Nicolsons deposit is approximately 800m in strike length and generally 0.5 to 2m wide. Deepest effective drilling is currently 300 metres below surface.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates.	• A block model was generated for the Nicolson's deposit. Individual mineralised structures were domained separately. Models contain grade estimates and attributes for blocks within each domain only. • Ordinary Kriging (OK) and Inverse Distance (ID) using Surpac software was used to generate the Mineral Resource estimates. • Variography using both Supervisor and Surpac software were completed, and the domains were modelled using a nugget and two spherical structures. For Nicolson's Main domains the maximum grade continuity ranges are between 60 m and 160m down plunge in the plane • Due to the narrow vein nature of the orebody a 2D modeling method was utilised. A 2D estimation method was used. Gram meters per ton were estimated using Ordinary Kriging (OK), Apparent wireframe width was estimated using inverse distance due to data density. Once the estimations were completed Au (gold gram per tonne) was back calculated by dividing (gold gram metres per tonne) by Width meters. • Drillholes used in the global Nicolson's Mineral Resource estimate included 271 RC, 127diamond drill holes, face samples 10476 Earth saw trenches 585 and 73 RAB, Blast hole holes for a total of 1,338m within the wireframes.

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Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• A review of previous Mineral Resource estimates have been reviewed and the current estimate is has seen an increase in Resource across all categories as would be reasonably expected based on the increase in spatial data density due to increased coverage by diamond drilling and underground ore development • Reconciliation of the current Nicolson's underground Mineral Resource with mine reconciliation provides a difference of -10% in tonnes, +3% in grade and -6% in gold metal compared to the resource model; this is a global comparison. • By products are not included in the resource estimate including silver. • No deleterious elements have been estimated. Arsenic is known to be present, however metallurgical test work suggests that it does not adversely affect metallurgical recovery. • Models were interpolated with a block model cell size of 10 mN x 1 mE x 10 mRL, with sub-celling for volume representation only to 0.625 mN x 0.5 mE x 1.25 mRL. Estimations used 4 passes. The 1st pass used a search radius 1/3 of the maximum range for the domain with a minimum of 8 and maximum of 16 samples. The search radius was increased by 1/3 for second pass and the minimum number of samples was decreased to 4. For the 3rd pass the search radius was increased by 1/3 and the minimum number of samples was decreased to 2. The search radius was increased by 1/ 3 and the minimum number of samples decreased to 1 for the 4th pass at Nicolson's. • The size of the blocks was determined by review of prior Kriging Neighbourhood Analysis in conjunction with the assumption of a relatively selective mining approach for underground operations. • Gold and apparent width has been estimated. • Geological interpretation constrained initial wireframes; these were oriented along trends of grade continuity and were constrained further by cut- off grades and form hard boundaries during estimation. • Grade width distribution statistics were used to generate top cuts, along with the analysis of distribution graphs and disintegration analysis. Top cuts vary by domain. • Model validation was conducted by review of visual comparison between composite and estimated block grades and statistical comparison against the input drill data and graphical profile (swath) plots. Checks for negative and missing grades were also undertaken.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content	• Tonnage was estimated on a dry basis. • The tonnages of material on stockpiles are quoted on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied	• Cut-off grades for reporting were based on notional mining cut-off grades for open pit (0.6 g/t Au) and underground operations (2.5 g/t Au).

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• An optimised pit shell was used to constrain material described as open pit with material outside this shell assigned to a potential for recovery by underground mining methods.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Metallurgical test work has shown acceptable (> 96%) gold recovery using CIP technology and is consistent with calculated recoveries from the current operating period from the Nicolsons underground mine. No factors from the metallurgy have been applied to the estimates.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• The deposits are on granted mining leases with existing mining disturbance and infrastructure present.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Bulk density measurements of ore were calculated from drill core and underground samples using the water displacement method and data from historical mining. • Bulk densities vary due to ore type and are assigned separately to each domain based on this work.

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Criteria	JORC Code explanation	Commentary
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Resources are classified utilising a combination of various estimation derived parameters, input data, data density and geological / mining knowledge. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates	• A review of the prior Mineral Resource estimates estimate have been the subject of independent review. No significant issues were noted. • The current Mineral Resource has been reviewed internally and results are consistent with reconciled production results.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • The statement reflects a global estimates of tonnes and grade. • The current Mineral Resource model produced a 6% oz Au overcall against reconciled production for the Nicolsons underground. This amount is considered to be within acceptable limits for the classification of the Mineral Resource.

SECTION 4: ESTIMATION AND REPORTING OF ORE RESERVES – NICOLSONS

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	• The Ore Reserve was calculated using detailed mine designs applied to the current Mineral Resource estimate. The Mineral Resource estimate was completed by experienced geologists familiar with the deposits, overseen by the competent person. • The Mineral Resources reported are inclusive of the Ore Reserve.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The Competent Person makes regular visits to the site and is involved in preparation of the overall operations plans which are the basis for the Ore Reserve.

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Criteria	JORC Code explanation	Commentary
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• Actual functional mine designs were completed using the Mineral Resource as the basis for the conversion to Ore Reserves and is considered to be at a Feasibility level of study. • Cut off grades were relevant to actual costs at the operation. • Modifying Factors applicable to actual results from operations are utilised. • The mine is currently operating on a profitable basis and cut off grades were chosen according to actual costs.
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• Nicolsons - The fully costed cut off grade is approximately 4.5 g/t. Incremental cut off grades for necessary activities were calculated separately, and insitu stope grades (pre dilution) were cut off at 3.5 g/t for underground mining att Nicolsons except the Johnston Lode where a cut off of 3g/t was selected based on wider ore zones resulting from RC drilling techniques. • Nicolsons open pit – Pits were designed using a 2.14g/t cut-off grade. Low grade resources recovered below the cut grade have not been reported, but in practice would be report to low grade stockpiles.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	**Nicolsons Underground** • For Nicolsons, Detailed ore stopes and development drives were designed using Surpac software. It was assumed that stopes in the Mother Lode would suffer 15% dilution at 0g/t and achieve 95% recovery of diluted tonnes. It was assumed that stopes in the Hall Lode would suffer 20% dilution at 0g/t and achieve 95% recovery of diluted tonnes. Airleg stopes in all lodes were assumed to suffer 10% dilution. Ore drives were designed on the basis that drives with less than 50% ore would be resue mined with 50% dilution at 0g/t and 100% recovery. Drives not resue mined were recovered with 0% dilution and 100% recovery. • For Nicolsons all Ore Reserve tonnes are extracted using underground methods. Uphole benching with rock fill is the primary mining method and is considered suitable for the type and geometry of the deposit. Geotechnical factors were estimated by expert geotechnical consultants. In narrow ore zones, manual hand held mining methods are undertaken to maximize control of the excavation. • Stopes are to be 30m along strike maximum. Where stopes are high grade they will be filled with cemented and loose waste, depending on sequence requirements, to maximise extraction. In low grade areas, pillars are left as necessary. • All stopes were designed with a minimum width of 1.5m (before adding mining dilution). All dilution is assumed to have zero gold value. • Mining is by owner operator using leased equipment. Actual lease rates and manning costs are utilised

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Criteria	JORC Code explanation	Commentary
Mining factors or assumptions		• For development 100% of diluted ore mined is recovered. For stoping 95% of diluted ore is recovered. • Inferred Mineral Resources are excluded from the Ore Reserve. The Ore Reserve is considered feasible without the inclusion of Inferred Mineral Resources. • The costs used in the model include all required infrastructure including fixed plant, buildings and magazines, and mine excavations. **Open Pits** • Mineral Resources were optimized using whittle 4D software, followed by detailed open pit design using Surpac software. • Key parameters used in optimisation were sourced from prevailing site prices (fuel and consumables, milling cost and administration cost), contract rates (mining) and prevailing market rates for general items. • Final overall pit slopes are 43 degrees, in line with geotechnical recommendation's by the geotechnical consultant. • Mining dilution of 15% and 100% recovery of diluted ore was utilised.
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• The existing processing plant at Nicolsons uses a conventional CIP circuit, which is appropriate for the style of mineralization, and has achieved approximately 97% recovery during the past year. • The CIP process is the conventional gold processing method in Western Australia and is well tested and proven. • The site is an operating mine with recovery of 97% a usual operating condition. The site has undertaken ongoing testing of new ore samples, with similar results achieved in the laboratory. • There are not any know deleterious elements • The 97% recovery is consistent with calculated recoveries from the current operating period from the Nicolsons underground mine • Not applicable
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• The Nicolsons site has been operational since September 2015, and all infrastructure and services necessary to operate the mine are in place and functioning.

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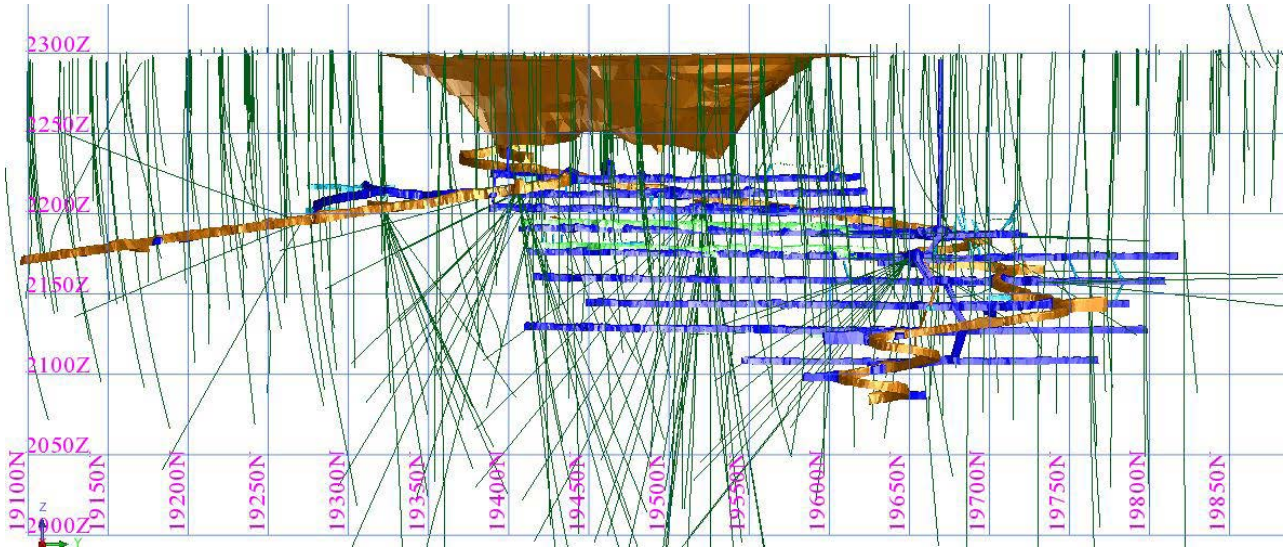
Criteria	JORC Code explanation	Commentary
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• Major project capital for the project is already in place at the mine. Ongoing sustaining capital is identified in site budgets and scheduled as required. • Operating costs are calculated using a combination of actual unit costs at the mine and first as appropriate. Actual labour costs are utilized in site budgets. • There are no known deleterious elements and no adjustments have been made. • All costs were estimated in Australian dollars, and a gold price of $1650/Oz was utilized. • Transport charges were based on actual costs during the past year. • An allowance for production of 0.4 oz of Silver for every oz of gold was made. This is in line with silver produced since September 2015. Silver revenue is not material to overall project revenue or profit. • The 2.5% state government royalty was included in the detailed budget. No other royalties are applicable to the project.
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• Production, Grade, and cost is scheduled monthly in a detailed operations budget schedule. • Gold price was assumed to be A$1,650 per ounce. • Assumed silver revenue was based on A$20/Oz, approximately 10% below the prevailing spot price.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Gold prices can be volatile and there are many conflicting positions on the future price of Gold. Pantoro believes that A$1,650 per ounce is a realistic forward price forecast for gold over the life of the proposed mine. Pantoro holds a number of gold hedge positions with the average hedge price well above $1650 per ounce. • Gold is sold on the spot market and customer/competitor analysis is unnecessary.
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• As the mine is in operation with a relatively short mine life and all major capital cost elements already in place, a NPV analysis was not required. • Ore grade and gold price are the key sensitivities for the project.
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• The Ore Reserve is located on granted mining leases and the company has an access agreement with the pastoral lease owner who is also the local aboriginal corporation.

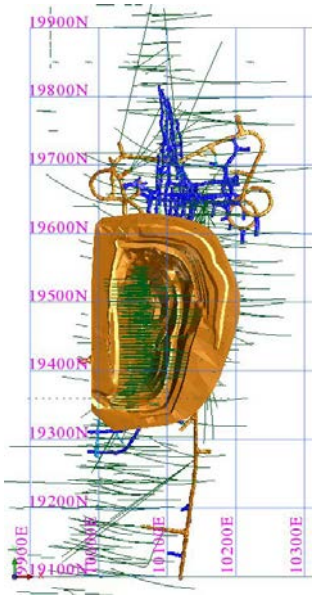
Criteria	JORC Code explanation	Commentary
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• Pantoro is the 100% owner of the Project. Pantoro is not currently named on tenement titles due to delays in assessment of stamp duty by the Office of State Revenue. Pantoro is satisfied that it has full legal rights to 100% of the project by virtue of the legal agreements in place with the previous owner. • Signed transfer documents for the tenements are held by Pantoro, however transfers have not occurred as the Department of State Revenue has not completed a Stamp Duty Assessment, and Stamp Duty must be paid prior to transfer of tenements. The Acquisition Agreement protects PNR's interest in the period prior to transfer. • PNR has the required government and stakeholder approvals required to mine and process the Ore Reserve
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• The Ore has been derived from Measured and Indicated Resources. Inferred Mineral Resource has been excluded from the Ore Reserve. • Proven Ore Reserves are derived from Measured Mineral Resources. • Probable Ore Reserves are derived from Indicated Mineral Resources. • The Competent Person has been closely involved in operations and planning at the mine since commencement in 2015. The Competent Person is satisfied the Ore Reserve reflects the actual results from the operation.
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• The Ore Reserve has been internally audited by Geologists and Mining Engineers involved with operations at the mine. No external audit or review has been undertaken.

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Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The Proven Ore Reserve is primarily based on close spaced underground development sampling and mapping on the currently developed areas of the mine • The Probable Ore Reserve is primarily based on a combination of Diamond and RC drilling. Diamond drilling and mine development indicates that ore is generally narrower, but higher grade than indicated by RC drilling. Historically this has resulted in upgrades to the Ore Reserve when actually mined, however no Modifying Factors to account for potential upgrades have been applied. • The Ore Reserve is noted to be consistent in grade and nature compared with historical operations at the mine. This assessment was undertaken by way of a general review and is not based on statistical analysis. • No Modifying Factors apart from those set out in this Table 1 have been included. • Stopes were designed using sectional design on 10m spacing which is considered appropriate for the style of deposit. The designs reflect current mine planning practice at the mine.





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SECTION 1: SAMPLING TECHNIQUES AND DATA - WAGTAIL NORTH, WAGTAIL SOUTH AND ROWDIES

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 report relates to the annual update of the Mineral Resource and Ore Reserve statement for the Wagtail South, Wagtail North and Rowdies deposits at the Nicolsons gold project. • The Wagtail North, South and Rowdies deposits have been sampled mainly by RC with historic aircore undertaken by previous owners. Pantoro undertook initial infill and grade control drilling by RC methods in 2016. Holes were sampled on 1 m intervals. 2 historic diamond holes were also identified relogged and assayed at Rowdies and Wagtail North. • 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 2-4kg 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 programs 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).	• 2016 infill and grade control drilling program was completed by – Reverse circulation drilling carried out using a face sampling hammer and a 140mm diameter bit • Historic RC drilling was completed over a number of generations. All RC rigs between 2011 and 2014 used face sampling hammers with bit size of 140 – 146mm. Historical holes used a 130 mm bit size). Recent aircore drilling was completed by the RC rig with an aircore bit assembly. • 3 diamond holes were drilled in 2011 as part of a previous study and intersected the ore zone in 2 holes at Rowdies and Wagtail North whuich were HQ diameter.

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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 assessments were undertaken with visual observation of split reject and lab weight samples are recorded and reviewed. • Recovery for older (pre 2011) holes is unknown. • All drilling was completed within rig capabilities. Rigs used auxiliary air boosters when appropriate to maintain sample quality and representivity. • In post 2011 where aircore drilling could not provide sufficient penetration an RC drilling method was used. • There is no known relationship between recovery and grade. Review of the historic diamond holes RDD1101 and WNDD1101 of oxide and transitional material in the Rowdies and Wagtail North pit showed moderate core loss in the Wagtail North ore mineralised zones.
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 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. • All drill chips were logged on 1 m increments, the minimum sample size. A subset of all chip samples is kept on site for reference. • diamond holes were logged to geological boundaries and is considered quantitative. Core was photographed. • All drilling has been 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.	• RC drill chip samples were collected on 1m sample intervals with either a three-tier, rotary or stationary cone splitter depending on the drill rig used. Aircore drill samples were subset using a 3 tier riffle splitter. Most (> 95%) of samples are recorded as being dry. • All RC and aircore sample splitting was to 12.5 % of original sample size or 2 – 3 kg, typical of standard industry practice • Sample sizes are considered appropriate • Field duplicates were taken in previous programs with results reviewed and not considered a risk to estimation of the Mineral Resource • RC and Aircore drilling and sampling practices by previous operators were to industry standard • The limited core samples from 2 historic holes were sawn in half with one half used for assaying and the other half retained in core trays on site for future analysis. Only the Wagtail North Diamond hole was used in this resource update with the historic Rowdies diamond hole twinning a RC hole used in the prior estimate which showed the RC hole had a negative bias.

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 were completed in a certified laboratory in Perth WA. • Gold assays are determined using fire assay with 40g charge and AAS finish. Other elements were assayed using acid digest with ICP-MS finish. Screen fire assays consists of screening 500g of the sample to 106 microns. The plus fraction is fire assayed for gold and a duplicate assay is performed on the minus fraction. The size fraction weights, coarse and fine fraction gold content and total gold content are reported. The methods used approach total mineral consumption and are typical of industry standard practice. • No geophysical logging of drilling was performed. This is not relevant to the style of mineralisation under exploration. • Blind submission of Certified Reference Materials (CRM) was undertaken as well as blank samples submitted, blanks and repeats are included as part of the QAQC system. In addition the laboratory had 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. • Analysis of drilling undertaken in 2011 showed a negative bias with several of the external certified standards. • 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	• 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. Some significant intersections have been resampled and assayed to validate results. • The 2016 drill program was an infill and grade control program and did not include any twinning of existing RC holes. • 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 onsite. • No adjustments have been made to assay data.

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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.	• Pre 2016 drilling is surveyed using DGPS with accuracy of ± 0.3m. Recent drilling is surveyed using RTK survey equipment Downhole surveys are conducted during drilling using a reflex electronic single shot cameras at collar 20 m then every 30 m thereafter. Current mine workings (open pits) are surveyed by company surveyors using RTK survey equipment. Historical holes was surveyed by prior operators to validate collar coordinates. • 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 + 101.799 • Topographic control uses DGPS collar pickups and external survey RTK data and is considered adequate for use.
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 hole spacing at Wagtail North, South and Rowdies as a result of the 2016 infill and grade control drilling has been reduced to 10 m x 10 m over the main ore zones and inside the pit designs to a depth of 60-70m below surface for the Wagtail North and South Pits. Rowdies was a shallower pit with limited additional information added outside of the pit shell in 2016. The remainder of the drilling in the deeper areas are of variable and wider spacing. • The Competent Person is of the view that the drill spacing, geological interpretation and grade continuity of the data supports the resource categories assigned. • No sample compositing was undertaken in the 2016 drill program. Historically sample compositing 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	• 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.	• Drilling is perpendicular to the main north-south ore strike, it is however identified from the Nicolson Mine that localised bonanza splay structures striking at 325° exist and may not be fully defined • No bias of sampling is considered to be derived by the drilling orientation.
Sample security	• The measures taken to ensure sample security.	• The chain of custody is managed by Pantoro employees and consultants. Samples are stored on site and delivered in sealed boxes and bags to the lab in Perth. Samples are tracked during shipping.

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Criteria	JORC Code explanation	Commentary
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Review of the current data has been undertaken by Pantoro personnel as part of the current drilling programs. • A review of the historic sampling techniques was carried out by an independent consultancy in relation to prior Mineral Resource estimation in 2011/12 on behalf of the previous owners. No significant issues were noted.

SECTION 2: REPORTING OF EXPLORATION RESULTS - WAGTAIL NORTH, WAGTAIL SOUTH AND ROWDIES

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.	• Tenements containing Mineral Resource estimates and Ore Reserves are 100% held by Pantoro subsidiary company Halls Creek Mining Pty Ltd. Tenements with Mineral Resources and Ore Reserves are: M80/503 and M80/362 Tenement transfers to HCM are yet to occur as stamp duty assessments have not been completed by the office of state revenue 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	• Acknowledgment and appraisal of exploration by other parties.	• 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 Mineral Resource estimate for the Nicolsons Find deposit. 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 Nicolsons 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.Review of available reports show work to follow acceptable to standard industry practices.

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Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• Gold mineralisation in the Project 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, mineralisation in Wagtail North is predominantly hosted in the granite within the shear. 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. • 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 and often host bonanza gold grades with associated increases in base metal content, 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.

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Criteria	JORC Code explanation	Commentary
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.	• No exploration results are reported as part of this release, results relating to the deposits have been previously released.
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.	• No exploration results are reported as part of this release, results relating to the deposits have been previously released.
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').	• Drilling is predominantly at 270° to local grid at a dip of -60°. Local structures strike 0° to the local grid and dip at 60°E (i.e. having a 60° intersection angle to lode structures). Deeper holes have some drillhole deviation which decreases or increases the intersection angle, but not to a significant extent. • Downhole lengths are reported and true widths are approximately 60 – 90% of down-hole length. True widths are calculated and reported for any drill intersections > 1 ppm Au.
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.	• No exploration results are reported as part of this release, and therefore no diagrams are included.
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.	• Results greater than 1 ppm Au have been reported for the 2016 RC drilling

Criteria	JORC Code explanation	Commentary
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 relevant exploration other than those previously reported have been conducted in the reporting period.
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.	• Mining has commenced and processing of this ore has produced gold at levels above local grade estimates. • Drilling has commenced to evaluate the depth extension of the orebodies with a view to evaluating underground potential below the current pits.

SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES - WAGTAIL NORTH, WAGTAIL SOUTH AND ROWDIES

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Data input has been governed by lookup tables and programmed import of assay data from lab into database. The database has been checked against the original assay certificates and survey records for completeness and accuracy. • Data was validated by the geologist after input. Data validation checks were carried out by an external database manager in liaison with Pantoro personnel. An extensive review of the data base was undertaken when Pantoro acquired the project, and external data review is ongoing.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The Competent Person conducts regular visits to the site and has a good appreciation of the mineralisation styles comprising the Mineral Resource.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Confidence in the geological interpretation is moderate to high given the increased drill density additional to previous Mineral Resource estimate. Surface and historic pit floor mapping confirms the orientation data for the main mineralised structures. • Interpreted wireframes utilised to constrain the Mineral Resource estimate are based on mineralised drilling intersections and geological constraints. All Wireframes have been conducted to a 0.3 ppm Au cut –off grade for inclusion based on the above parameters. • The mineralisation is consistent with narrow high grade gold lodes and drill intercepts clearly define mineralisation and lode position. In general the interpretation of the mineralised structures is clear, however short strike splay structure are found to be present in the course of mining and can contain localised bonanza grades.

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Criteria	JORC Code explanation	Commentary
Geological interpretation (continued)		• In general the controls on mineralisation and grade continuity is constrained by quartz veining within the NFSZ and based on learning outcomes from Nicolsons Find underground development are relatively straightforward and as such no alternate interpretations have been considered. • Geological interpretation of the data was used as a basis for the wireframes for individual lodes which were then constrained by cut-off grades.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Rowdies and Wagtail deposits occur over a strike length of approximately 900m. Mineralised widths in plan vary between 1m and 4m and mineralisation extends from surface to 130metres below surface and has not been closed off.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• Separate block models were generated for Wagtail North and Wagtail South. Individual mineralised structures were domained separately. Models contain grade estimates and attributes for blocks within each domain only. • Rowdies was only a shallow pit with the bulk of the 640 metres of drilling focused on grade control within this shell, the 2012 Optiro Model as adopted in the May 2016 Mineral Resource statement was simply depleted as per the as mined Rowdies pit as at April 30 2017. • Ordinary Kriging (OK) using Surpac software was used to generate the resource estimates. Variography of gold grades from drilling data provides a maximum grade continuity of 22m down plunge,12 m perpendicular to plunge and 4, across plane for Wagtail South. Rowdies and Wagtail North have a strike-dip control on mineralisation. Wagtail North parameters were 23 m along strike, 12 m down-dip and 4 m across the plane. Rowdies grade continuity was 60 m down-dip, 50 m along strike and 4 m across the plane. • Previous estimates For Wagtail North and Wagtail South generated by consultants have been reviewed and compares reasonably relative to the increased data density and mining depletion. • Production figures from Rowdies and Wagtail Pits based on current mining have been reconciled to the Mineral Resource estimate. Current estimates on the whole are consistently lower than reconciled production from the open pit mines. • By products are not included in the Mineral Resource estimate. • No deleterious elements have been estimated, however metallurgical test work and operating recoveries support good metallurgical recovery.

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Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques (continued)		• The block models used primary block sizes of 5m Y X 2.5m X X 2.5m Z on Wagtail South and Rowdies deposits. Primary block sizes of 2.5m Y X 1.25m X X 1.25m Z were used on Wagtail North. Sub-celling was employed at domain boundaries to allow adequate representation of the domain geometry and volume. • Block estimation used 3 passes at Wagtail North and Wagtail South and 3 passes for the Rowdies model. At Wagtail North, the 1st pass used a search radius of 122 m with a minimum of 3 and maximum of 15 samples. Wagtail South estimation used a 122m radius for the 1st pass with a minimum of 2 and maximum of 20 samples. The search radius was increased by 2 for second pass and the minimum number of samples was decreased to 1 for the 3rd pass. • Drillholes used in the Mineral Resource estimate update for Wagtail North included in addition to data used in prior estimates an additional 38 RC holes for a total of 783m of composites within the resource wireframes and Wagtail South included 53 RC holes for a total of 887 metres of composites within the resource wireframes. • Only gold has been estimated. Drill hole data was composited utilizing domain codes with all data composited to 1m. The Wireframes of the mineralised domains utilised as hard boundaries for the process of estimation. • Block size was determined primarily with the assumption of a relatively selective mining approach for both open pit and underground operations. • Geological interpretation forms the basis for domain wireframes; these were oriented along trends of grade continuity and form hard boundaries during estimation. • Grade distribution statistics were used to generate top cuts by domain, along with the analysis of distribution graphs and disintegration analysis in order to limit the influence of outliers in the estimate. • Model validation was conducted by review of visual comparison between composite and estimated block grades and statistical comparison against the input drill data and graphical profile (swath) plots. Checks for negative and missing grades were also undertaken.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content	• Tonnage was estimated on a dry basis. • The tonnages of material on stockpiles are quoted on a dry basis.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied	• Cut-off grades for reporting were based on notional mining cut-off grades for open pit (0.6 g/t Au)
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Due to the high grade nature of the mineralisation, a minimum downhole intersection width of 1m is considered reasonable to support with external/edge dilution minimum mining widths for the selective open pit and underground operations respectively and currently being employed.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Metallurgical test work has shown acceptable (> 97%) gold recovery using CIP technology and is confirmed with calculated recoveries from the current processing of the material from the Mineral Resource. No metallurgical factors from the have been applied to the estimates as this will be addressed during the application of modifying factors during Ore Reserve conversion.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• The deposits are on granted mining leases with existing mining disturbance and infrastructure present to support the reasonable prospects for economic extraction.

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Criteria	JORC Code explanation	Commentary
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Bulk density measurements of ore and waste were adopted from historical testwork from drill core using the water displacement method and data from historical mining. Pit data provided 29 samples and drilling provided 91 samples. • Bulk density estimates used were: Oxide All: 2.0 t/m^3 • Transitional All: 2.4t/ • Fresh Rowdies and Wagtail North: 2.9t/m^3 • Fresh Wagtail South: 2.7t/m^3
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Resources are classified utilising a combination of various estimation derived parameters, input data and geological / mining knowledge and depleted to the mined surface as of 30 April 2017 for the mined pits. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates	• A review of previous estimates have been the subject of independent review. No significant issues were noted. • The current Mineral Resources has been reviewed internally and results are considered acceptable with reconciled production results.

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Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • The statement reflects a global estimate of tonnes and grade • The resource model produced a 59% oz Au undercall against recorded production for the Wagtail North open pit. This amount mined well above the estimate is explained by short range high grade structures not identified in close spaced drilling, and is consistent with the initial mill reconciliation results returned from the Nicolsons Find UG where the Mineral Resource was informed predominantly by RC drilling. The resource model produced a 13% oz Au under call against recorded production for the Wagtail South open pit.This amount is considered to be within acceptable limits for the classification of the resource. The resource model produced a 36% oz Au overcall against recorded production for the Rowdies open pit, and was directly related to additional material mined but not surveyed in the base of the pit in 2002/3 by Rewah. • Current estimates on the whole are consistently lower than reconciled production from the open pit mines.

SECTION 4: ESTIMATION AND REPORTING OF ORE RESERVES - WAGTAIL NORTH, WAGTAIL SOUTH AND ROWDIES

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	• The Ore Reserve was calculated using detailed mine designs applied to the current Mineral Resource estimate. The Mineral Resource estimate was completed by experienced geologists familiar with the deposits, overseen by the competent person. • The Mineral Resources reported are inclusive of the Ore Reserve.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The Competent Person makes regular visits to the site and is involved in preparation of the overall operations plans which are the basis for the Ore Reserve.
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• The study completed to enable the conversion of the Ore Reserve is considered to be a Feasibility level of study. Modification to conversion is undertaken during mining as necessary. • The mine planning process utilises functional mine designs and prevailing site operating and capital costs for formulation of the conversion

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• Rowdies/Wagtail – Pits were designed were designed using a 2.14 g/t cut-off. Low grade material recovered above 1.5 g/t is reported as will report to low grade surface stockpiles.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	• Mineral Resources were optimised using Geovia Whittle software, followed by detailed open pit design using Geovia Surpac software. • Key parameters used in optimisation were sourced from prevailing site operating costs (mining and grade control, fuel and consumables, milling cost and administration costs). • Final pit slopes are at an overall angle of 43 degrees, in line with geotechnical studies completed by Pantoro Ltd and approved in the PMP. • Mining dilution of 15% was utilised • Mining recovery of 100% of diluted ore was utilised. • No inferred Mineral Resource was included in the mining studies. • Current site infrastructure supports the Open pit mining methods currently being used.

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Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• The existing processing plant at Nicolsons uses a conventional CIP circuit, which is appropriate for the style of mineralisation. • The CIP process is the conventional gold processing method in Western Australia and is well tested and proven. • The plant has now been operating for 20 months and prior metallurgical test work has been achieved consistently since the inclusion of the open pit material supporting the metallurgical recovery factor • There are not any know deleterious elements • The 97% recovery is consistent with calculated recoveries from the current operating period from the Nicolsons operations • Not applicable
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• The Nicolsons site is fully established and operating
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• Capital costs were estimated by identifying capital equipment items and estimating labour and equipment requirements for installation of capital equipment. • Operating costs are calculated from current operating costs realized on a going concern basis • There are no known deleterious elements and no adjustments have been made. • All costs were estimated in Australian dollars, and a gold price of $1400/oz was utilized. • Transport charges were based on actual operating cost on a going concern basis. • Credit elements including silver were not attributed any value in the calculation and it is assumed that the silver credits received will cover refining charges. • A 2.5% state government royalty was assumed.

Criteria	JORC Code explanation	Commentary
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• Grade is scheduled monthly in a detailed mining schedule. • Gold price was assumed to be A$1,400 per ounce. • No revenue from silver or any metals other than gold was assumed.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Gold prices can be volatile and there are many conflicting positions on the future price of Gold. Pantoro budgets using a $1650 per ounce gold price and the $1400 per ounce optimisation is a realistic forward price forecast with suitable margins
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• Due to the short life of the proposed mine, inflation was not applied to costs or gold price.
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• The project is on granted mining leases and the company has an access agreement with the local aboriginal corporation who is also the pastoral lease owner.

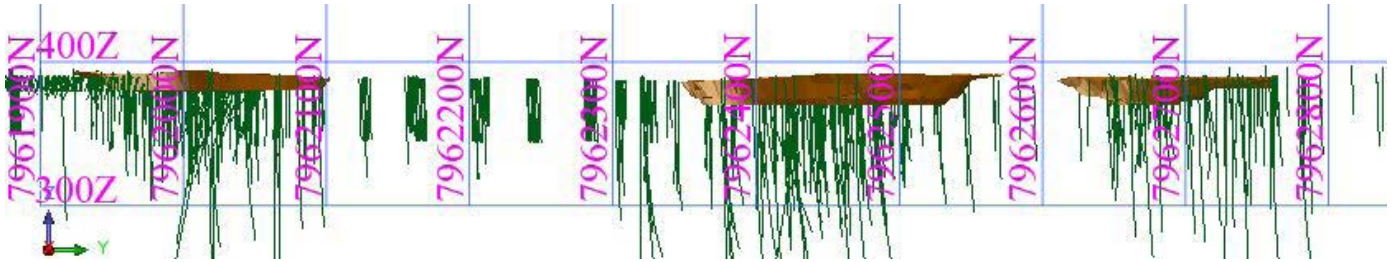
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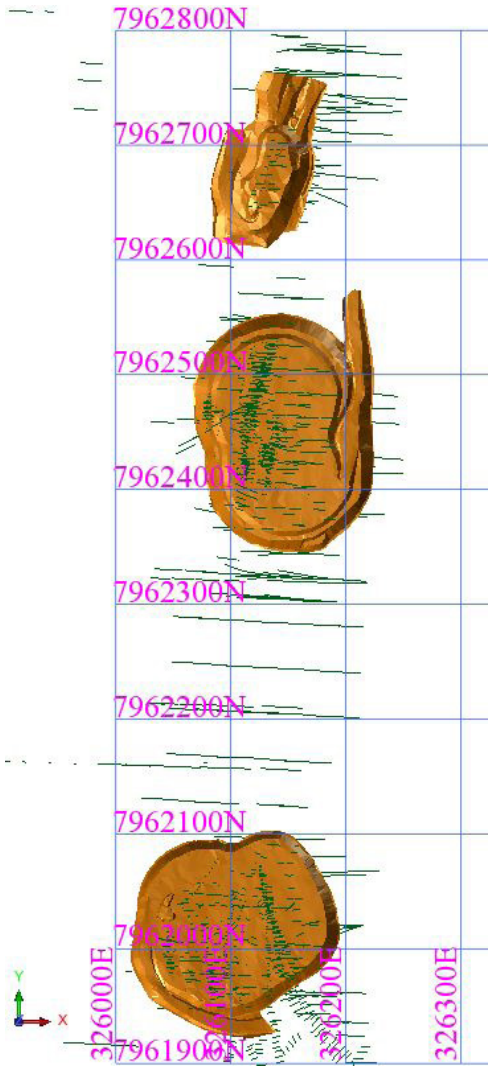
Criteria	JORC Code explanation	Commentary
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• Pantoro is the 100% owner of the Project. Pantoro is not currently named on tenement titles due to delays in assessment of stamp duty by the Office of State Revenue. Pantoro is satisfied that it has full legal rights to 100% of the project by virtue of the legal agreements in place with the previous owner. • Signed transfer documents for the tenements are held by Pantoro, however transfers have not occurred as the Department of State Revenue has not completed a Stamp Duty Assessment, and Stamp Duty must be paid prior to transfer of tenements. The Acquisition Agreement protects PNR's interest in the period prior to transfer. • PNR has the required government and stakeholder approvals required to mine and process the Ore Reserve • All regulatory approvals are in place for the mining of the Rowdies and Wagtail pits.
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• The Ore Reserve has been derived from Indicated Mineral Resources. Inferred Mineral Resource has been excluded from the Ore Reserve. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit • No Measured Mineral Resource is classified in the Mineral Resource estimate
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• The Ore Reserve has been reviewed using internal processes. No external audits

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Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The Ore Reserve has been derived from Indicated Mineral Resources. • Inferred Mineral Resource has been excluded from the Ore Reserve. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit

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Compliance Statements

Halls Creek Project - Mineral Resources & Ore Reserves

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)), 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.

***Halls Creek Project* - Ore Reserves**

The information in this report that relates to Ore Reserves is based on information compiled by Mr Paul Cmrlec (B. Eng (Mining) (Hons), a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Cmrlec is a Director and full time employee of the company. Mr Cmrlec 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 Cmrlec 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 Cmrlec consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Halls Creek Project - Mineral Resources & Ore Reserves

The information relating to Mineral Resources and Ore Reserves is extracted from a report entitled 'Nicolsons Project Mineral Resource and Ore Reserve Update ' created on 1 June 2017 and is available to view on Pantoro's website (www.pantoro.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 and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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