



ASX Announcement
2 May 2016

Pantoro Secures 100% Ownership of Nicolson's

Pantoro Limited (ASX:PNR) is pleased to advise that it has reached agreement with Bulletin Resources Limited (ASX:BNR) to acquire their minority 20% interest of the Halls Creek Project, taking full ownership. The project includes the high grade Nicolson's mine and processing plant.

With the mine progressed through the initial capital intensive start-up phase and settling into steady operation, both parties have agreed that consolidation of ownership into one company better serves the interests of both shareholder groups. Consideration is to be all-scrip with the majority of shares to be issued being distributed in-species to Bulletin's shareholders.

Key terms of the agreement, which is binding and subject only to shareholder, regulatory, and financier approvals include:

- PNR will issue 130 million ordinary shares to BNR (Consideration Shares);
- BNR will distribute a minimum of 90 million (70%) of the Consideration Shares to its shareholders as soon as practicable, and no later than 60 days after settlement;
- BNR will pay its 20% share of all costs incurred in relation to the project up to and including 30 April 2016;
- PNR will assume the obligations of BNR in relation to its financing facility with the Commonwealth Bank of Australia which is a 1,376 ounce gold pre-payment facility and a 3,504 ounce gold hedging facility. Both parties will be protected from gold price movements with marked to market gold price adjustments when the hedges are delivered, distributed to both parties on a 50/50 basis.
- BNR to be entitled to 20% of the bullion poured up to and including 1 May 2016.

Pantoro will take economic ownership of the project from 1 May 2016 on a walk-in walk-out basis.

Commenting on the agreement, Managing Director Paul Cmrlec said:

"With the operation now producing around feasibility levels, and gold trading at around A\$1,700 per ounce, timing for consolidation of project ownership is ideal. Less than half of the projected production is currently committed in existing hedges, providing good leverage to the rising gold price, particularly given the large reserve overcall which has been consistent since the commencement of production.

The consolidation of the asset will allow the company to operate the mine in the most effective manner possible ensuring maximum benefit to shareholders. We look forward to welcoming Bulletin's shareholders as new Pantoro holders when the in-specie distribution is completed, and sharing in the success of the mine."

Enquiries

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