



PANTORO

2022 ANNUAL REPORT



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Paul Cmrlec (Managing Director)

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Cover Photo
New Processing Facility and Infrastructure, Norseman

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MANAGING DIRECTOR'S LETTER

Dear Shareholders

The board of directors of Pantoro Limited (Pantoro) is pleased to present its operational results for the 2022 financial year.

Activities during the majority of the year have been focused on construction of the Norseman Gold Project. Pantoro is the 50% owner and manager of the project with responsibility for setting and executing work programs and full control of operations on site.

Following a protracted approvals process, which has been an unfortunate part of the WA mining landscape in recent times, construction was allowed to commence during October 2021. Site personnel and contractor crews wasted no time in commencing work with the first concrete foundations poured on site inside of the first week. Fortunately, Pantoro took the view that the approvals delays were only an administrative burden that would not hinder the project for too long, and the project procurement process for the new processing plant commenced as planned when awarding the EPC contract in March 2021. This in turn led to all major equipment and structural steel being delivered in a timely fashion, and without the extraordinary price increases and delays that unbuilt projects are now experiencing.

While the period has been extremely challenging due to the many effects of the COVID-19 pandemic, the project development outcome at Norseman is one that we are very proud of. The new processing plant and associated infrastructure has been delivered on time and on budget, and both open pit and underground mining activities are progressing well to support the commencement of production in September 2022.

In addition to project construction, exploration and resource development outcomes have been outstanding with Ore Reserve growth from 602,000 Oz to 971,000 Oz, a 61% increase since completion of the DFS since October 2020. The continuing growth in project Ore Reserves since Pantoro's acquisition of Norseman highlights the quality of the asset and the many opportunities for continued growth which lie ahead.

Operations at Halls Creek were heavily impacted by the effects of COVID-19 and industry workforce shortages, particularly during the December and March quarters. With periods of up to 50% reductions in the workforce developed stocks were depleted and ongoing advance was below expectation. Following the re-opening of Western Australia's borders, conditions improved and the operation is on track to being back at a steady state, and the mine remains an important contributor for the company.

Discovery of the Lamboo PGE-Nickel deposit near existing gold operations at Halls Creek was a highlight. Drilling to date has revealed a large system extending over many kilometers with mineralisation noted from surface, at widths of up to 100 meters. Pantoro will continue to advance the project with a 20,000 metre drill program nearing completion, and ongoing assay results continuing to impress. Lamboo is shaping up to be an important value driver for the company.

Circumstances have required both Pantoro Employees and our contract partners at both operations to work in extraordinary conditions throughout the year and we thank every person involved for their valuable input to the company's success. I would also like to thank our shareholders for their generous long term support and encouragement.

Yours sincerely



Paul Cmrlec

Managing Director

Opposite
Processing Facility construction progress montage, Norseman



REVIEW OF OPERATIONS

Norseman Gold Project, Western Australia (50%)

About the Norseman Gold Project

Pantoro announced the acquisition of 50% of the Norseman Gold Project in May 2019 and completion occurred on 9 July 2019. Pantoro is the manager of the unincorporated joint venture, and is responsible for defining and implementing work programs, and the day to day management of the operation.

The Norseman Gold Project is located in the Eastern Goldfields of Western Australia, at the southern end of the highly productive Norseman-Wiluna greenstone belt. The project lies approximately 725 km east of Perth, 200 km south of Kalgoorlie, and 200 km north of Esperance.

The project comprises 154 near-contiguous mining tenements, most of which are pre-1994 Mining Leases. The tenure extends approximately 70 lineal kilometres of the highly prospective Norseman– Wiluna greenstone belt covering approximately 800 square kilometres.

Historically, the Norseman Gold Project areas have produced over 5.5 million ounces of gold since operations began in 1935, and is one of, if not the highest grade fields within the Yilgarn Craton.

The current Mineral Resource is 4.8 million ounces of gold (100% basis). Many of the Mineral Resources defined to date remain open along strike and at depth, and many of the Mineral Resources have only been tested to shallow depths. In addition, there are numerous anomalies and mineralisation occurrences which are yet to be tested adequately to be placed into Mineral Resources, with a number of highly prospective targets already identified by drilling.

Pantoro has focused initial project planning on six initial mining areas containing multiple deposits which are amenable to both open pit and underground mining. The success in exploration at the Scotia Mining Centre during the past 18 months has led to Scotia and the OK underground mines being the primary ore sources during the first several years of operation. A new one million tonne per annum processing plant has been constructed by GR Engineering and operations are now underway.

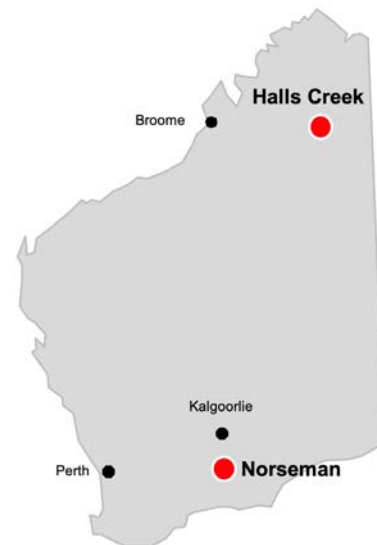
Norseman Gold Project Activity Report

Activities at Norseman during the year have been focused on the construction of a new one million tonne per annum gold mine which is projected to produce more than 100,000 ounces per annum once in a steady state.

The project has been constructed in accordance with the 2020 DFS and includes a new processing plant, leveraging the substantial infrastructure already in place at the mine.

Processing plant construction

The processing plant at Norseman has been constructed to accommodate a variety of ore types to ensure that all potential ore sources within the Norseman Gold Project are able to be treated. The circuit consists of three stage crushing and a single ball mill with gravity recovery followed by a conventional CIL circuit. GR Engineering (ASX:GRE) completed construction under an EPC contract and practical completion was achieved during August 2022. A first gold pour is expected in early October 2022.





New processing plant undergoing commissioning in September 2022.

Nominal plant capacity is one million tonnes per annum, however the plant has been built to be readily expandable with over-sized crushers in place and provision for additional milling and leaching capacity allowed in the design.

Support Infrastructure

The Norseman Gold Project has been completed leveraging the substantial infrastructure already in place at Norseman, which has been refurbished as required.

The existing tailings storage facility has been lifted with approvals in place to meet approximately five years of production. The existing bore field supplying raw water to the processing plant has been recommissioned, and the existing power station has been extended. Existing offices, stores and workshop buildings have also been refurbished where required and are now in operation.

New camp accommodation has been constructed within the town of Norseman by Resource Accommodation Management Pty Ltd under a build own operate contract model. Pantoro has the option to purchase the majority of the camp infrastructure for the nominal sum of \$1 in approximately five years when agreed occupancy has been met.



Accommodation facility in Norseman town.

REVIEW OF OPERATIONS (CONTINUED)

Open Pit Mining

The Scotia Mining Centre is expected to be the primary ore source for Norseman for the foreseeable future. The area has been subject to an intensive drilling campaign throughout the year with outstanding success. At the present time, the Mineral Resource within the Scotia Mining Centre stands at 15.5 Mt at 2.0 g/t for 1M ounces with all known resources remaining open, and numerous additional prospects to be drilled.

Open pit mining commenced in the Scotia open pit in April 2022 following award of the open pit mining contract to Hamptons Mining Services Pty Ltd. Initial work at Scotia is concentrated on completion of a major cutback of the existing open pits in order to access the high grade ore sitting between and beneath existing open pits.

Mining work on the recently discovered Green Lantern Deposit commenced immediately upon receipt of final approvals in May 2022. Green Lantern has continued to be expanded through additional drilling undertaken throughout the past year. The Deposit has gone from discovery in September 2020 to a 395,000 ounce Mineral Resource in 23 months. Ore is present from the surface, and the deposit will provide a large base load of plant feed material during the coming three years.

Development of Green Lantern has allowed all open pit mining activity to be undertaken at Scotia for the commencement of operations, rather than having to establish multiple operational bases. Following clearing and grubbing, Pantoro undertook an extensive grade control drilling program ahead of the commencement of mining.



Mining Operations Underway at the Scotia Mining Centre, Green Lantern in foreground.

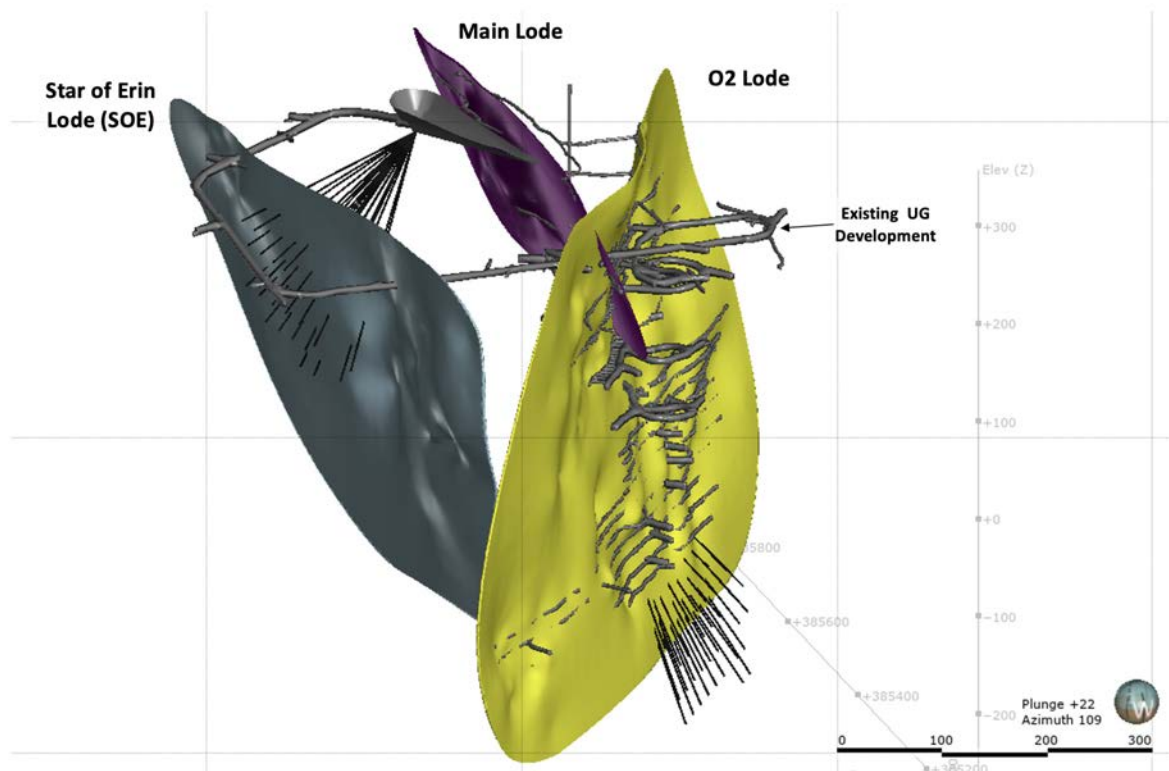
Ore mining commenced in July 2022 with approximately 160,000 tonnes available for processing when operations commenced.

Underground Mining

Underground mining at the OK Underground Mine is underway following re-establishment of infrastructure and services during the second half of FY22. Site establishment and mining activities are being completed under contract by WestAuz Mining Pty Ltd.

The immediate focus of underground mining activities is to complete dewatering and rehabilitation of the O2 Decline to enable recommencement of development and stopeing activities at the base of the mine. A new primary pumpstation has been installed at the 375 mRL, pumping direct to the surface at a rate of approximately 20 litres per second.

Ore development is underway in the previously unmined areas of the upper zones of the O2 Lode, and it is expected that up to eight ore headings will be operational in the Star of Erin Lode by the end of calendar year 2022.



3D model of the lodes at the OK Underground Mine

Two surface raise bores are to be completed at Ok during the coming period. The first is a 1.8 metre diameter raise which will provide a new dedicated second means of egress and fresh air intake for the mine. The rise is to be 190 metres in depth and will allow the commencement of full production activities at the mine.

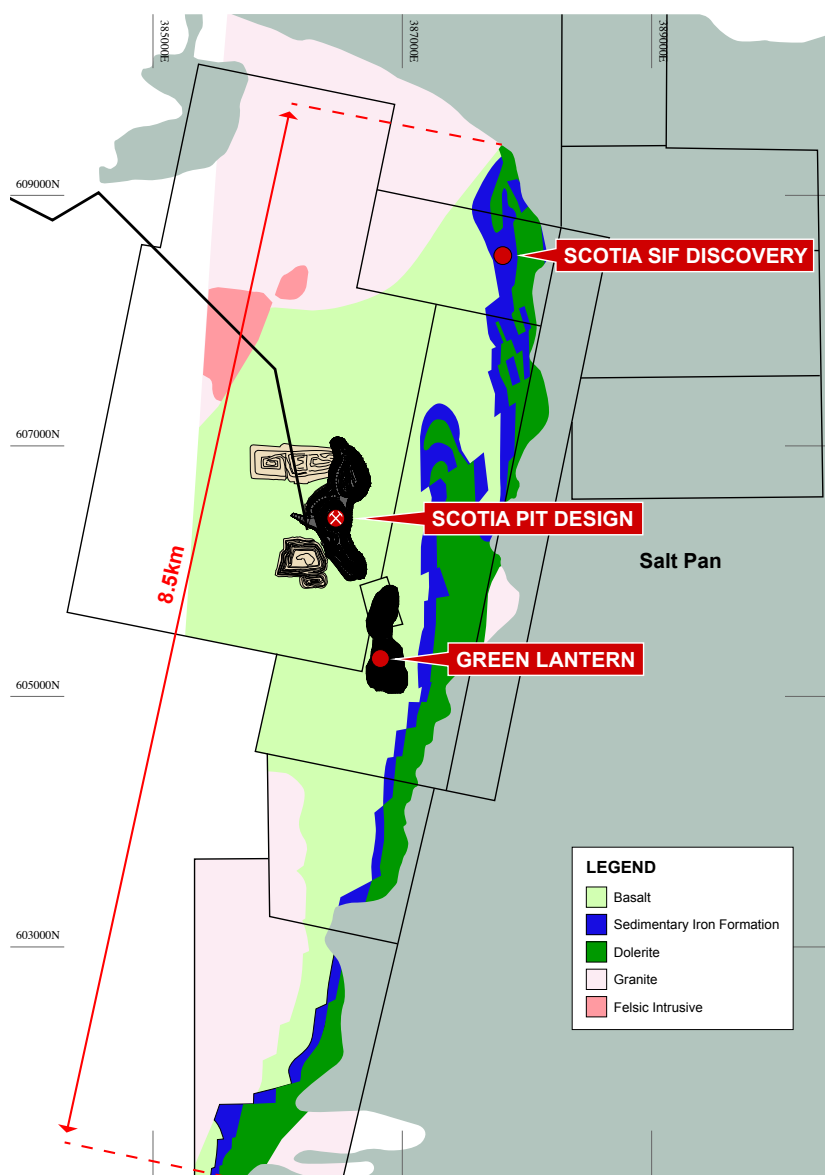
The second rise is a 3.1 metre diameter 482 metre raise in two legs to be utilized as the primary exhaust for the mine, bypassing the existing circuits to maximise mine capacity. Operations will continue as planned ahead of excavation of the new rise.

Exploration

Pantoro undertook a sustained exploration and resource development program throughout the year in parallel with project development activities. The majority of the drilling was completed at the Scotia Mining Centre, where outstanding growth has continued throughout the period. Drilling was undertaken with six drill rigs for most of the year, primarily focused on expansion of both the Scotia and Green Lantern Mineral Resources. A total of 93,000 metres was drilled during the year.

REVIEW OF OPERATIONS (CONTINUED)

Results from the program have been outstanding with Scotia Mining Centre Mineral Resource Growth of 33% to 15.5 Mt @ 2.0 g/t for 1M ounces and Ore Reserve growth of 71% to 7.0 Mt @ 2.4 g/t for 535,000 ounces.



Plan of Scotia Mining Centre.

Drilling and resource development releases to the ASX during the period are listed below.

- 13 July 2021 – Mainfield Returns Numerous High Grade Results.
- 2 August 2021 – Green Lantern Continues to Grow Ahead of Maiden MRE.
- 13 September 2021 – Green Lantern Maiden Mineral Resource and Ore Reserve.
- 4 October 2021 – Scotia Deeps returns wide and very high grade results.
- 8 December 2021 – Scotia continues to demonstrate outstanding growth.
- 7 March 2022 – Major drill out at Scotia continues to yield results.
- 5 April 2022 – Scotia Mineral Resource and Ore Reserve Update.

Joint Venture

Pantoro announced the transformative acquisition of 50% of the world class Norseman Gold Project in May 2019. All conditions precedent to the transaction were satisfied or waived during July 2019, and completion occurred on 10 July 2019.

Pantoro is the sole manager of the project and is responsible for setting and executing work programs and budgets for approval of the JV committee.

All consideration for acquisition of the 50% share in the project has now been paid aside from a 1% Net Smelter Royalty to the vendor on Pantoro's attributable gold and silver produced from the Norseman Gold Project, capped at a total of A\$6 million plus a 0.0025% royalty for a period of five years after the first A\$6 million is paid. There is also a contingent A\$10 million amount payable on the achievement of a 1.8M ounce Ore Reserve.

Lithium Joint Venture

On 14 December 2021 Pantoro announced a farm in and joint venture with Mineral Resources Limited (MinRes) to explore for and develop lithium deposits across the Norseman tenure (the Norseman Lithium JV).

MinRes is a recognised leader in the construction and operation of hard rock lithium mines in Western Australia and brings tremendous technical, operational and financial capacity to the joint venture.

They key terms of the Norseman Lithium JV are:

- MinRes to complete a minimum of \$500,000 expenditure within six months (completed).
- MinRes to spend a further \$2,500,000 within 18 months (in progress).
- MinRes to complete a feasibility study including definition of a JORC compliant resource within 24 months to earn 25% of the lithium rights within the Norseman Gold Project tenure.
- MinRes to earn a further 40% of the lithium rights (for a total 65% ownership) by funding the project until first production.
- Pantoro and Tulla (jointly or independently) have the right to buy back in to increase their ownership in the joint venture to a combined 49.9%.

On 12 September 2022 Pantoro announced the initial results from exploration work undertaken by MinRes. The initial 8,000 metre drilling program was focussed on 1.6 kilometres of strike where elevated lithium values were returned from rock chip sampling of outcropping pegmatites. These were identified in initial reconnaissance work undertaken by Pantoro as part of its evaluation of the broader potential of the Norseman tenement package. No prior work on the lithium potential had been conducted and this program is the first drilling campaign on the tenement.

The drilling confirmed the presence of lithium bearing pegmatites with significant results including:

- 9 m @ 1.26% Li₂O and 151ppm Ta₂O₅ from 30 m.
- 8 m @ 1.10% Li₂O and 118 ppm Ta₂O₅ from 53 m.
- 6 m @ 1.02% Li₂O and 103 ppm Ta₂O₅ from 64 m.
- 6 m @ 1.03% Li₂O and 146 ppm Ta₂O₅ from 39 m.

MinRes has advised that its forward work program will consist of additional drilling, an auger soil sampling program over the full length of the prospective stratigraphy, aerial geophysical surveys and flora and fauna surveys. Work is now underway.

Lithium Joint Venture Results

The information is extracted from the report entitled 'Initial Results from Norseman Lithium JV' created on 12 September 2022 and is available to view on Pantoro's website (www.pantoro.com.au) and the ASX (www.asx.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

REVIEW OF OPERATIONS (CONTINUED)

Halls Creek Project, Western Australia (100%)

The Halls Creek Project includes the Nicolson's Mine, (45 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 development plan for the project. First gold was poured in September 2015.

The project currently has a Mineral Resource estimate of 1.3 million tonnes at 6.7 g/t Au containing approximately 284,000 ounces of gold. The Ore Reserve estimate is 0.5 million tonnes at 6.3 g/t Au containing approximately 110,000 ounces of gold.

Nicolson's 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.

Continuous mining operations have been ongoing at Halls Creek for the past seven years.

Operating Results

Mining continued at both Nicolson's and Wagtail underground mines during the period. There was no open pit mining undertaken.

At Nicolson's Mine, the primary ore zones in the high-grade Johnston Lode were mined out in the first half of the year, with remnant mining continuing in other areas of the mine. Mining of remnant ore is expected to be completed during the 2023 financial year.

At Wagtail, operations have continued to be advanced in the Rowdies Lodes which include the high grade REV and Wagon structures discovered during the previous year. In addition, development has now reached the Wagtail South orebody, adding a major work area for the coming year. The additional ore available from the Wagtail South orebody provides a platform for the mine to continue to produce at similar levels to those achieved during the past several years.

The second half of the year was extremely challenging due to the effects of COVID-19, and the severe labour shortages experienced in Western Australia during the latter half of the period. The greatest impact of this was experienced in the December and March quarters, resulting in lower than planned development and production from the mine. Labour shortages have been largely addressed following the re-opening of Western Australia's borders. Halls Creek has not been immune to the industry-wide cost increases experienced during the year. Diesel costs are dramatically higher year on year, and wage growth has had to keep pace with the industry. All operators have also seen an increase across the board for reagents and consumables.



Halls Creek Project Location

Despite the challenges seen during the later part of the year, operations at Halls Creek continue to positively contribute to the company's success.

Key production and cost data from the operations during the past year are set out in the table below.

	FY 2022			
Physical Summary	Q1	Q2	Q3	Q4
UG Ore Mined (t)	46,067	40,350	40,930	52,763
UG Grade Mined (g/t Au)	6.01	5.05	3.84	4.07
OP BCM Mined	0	0	0	0
OP Ore Mined (t)	0	0	0	0
OP Grade Mined (g/t Au)	0.00	0.00	0.00	0.00
Ore Processed (t)	60,646	61,026	59,243	60,926
Head Grade (g/t Au)	5.09	3.95	3.01	3.54
Recovery (%)	95.4%	95.6%	95.2%	94.3%
Gold Produced (oz)	9,473	7,412	5,452	6,544
Cost Summary (\$/oz)				
Production costs	\$1,230	\$1,498	\$2,008	\$1,962
Stockpile Adjustments	-\$13	\$38	-\$7	-\$40
C1 Cash Cost	\$1,217	\$1,536	\$2,002	\$1,922
Royalties	\$42	\$66	\$67	\$65
Marketing/Cost of sales	\$5	\$6	\$6	\$6
Sustaining Capital	\$163	\$291	\$315	\$304
Corporate Costs	\$8	\$11	\$18	\$14
All-in Sustaining Costs	\$1,435	\$1,911	\$2,408	\$2,311
Major Project Capital	\$1.60M	\$2.45M	\$1.59M	\$2.61M
Exploration Cost (Excluding PGE's)	\$1.32M	\$1.07M	\$0.62M	\$0.17M

* C1 Cash Costs, All-in Sustaining Cost and Project Capital are non-IFRS financial information and are not subject to audit. These are widely used "industry" terms that certain investors use to evaluate company performance.

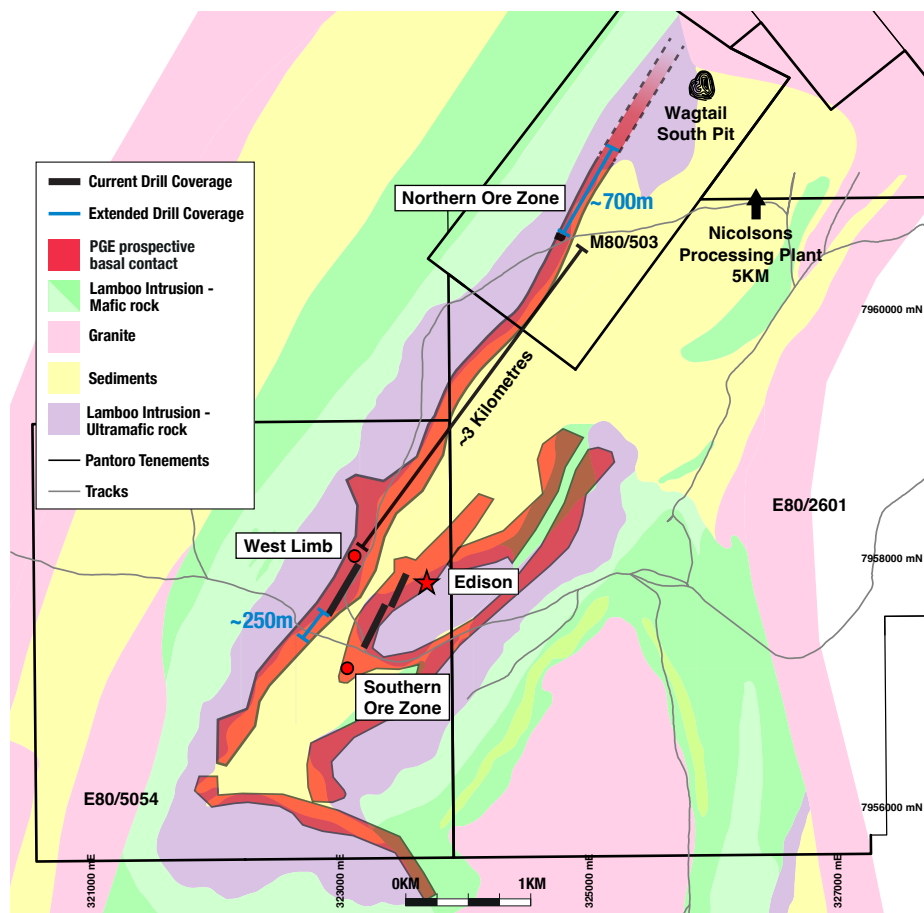
Lamboo PGE-Nickel Project

Pantoro announced the identification of a large PGE bearing system at Halls Creek on 6 September 2021. Identification of the mineralisation followed historical reports by previous explorers confirming the presence of the mineralisation in a limited number of holes.

The PGE mineralisation occurs in the basal zone of the Lamboo ultramafic complex. The Lamboo Ultramafic complex has a strike extent of approximately 20 kilometres on Pantoro's tenure with potential for mineralisation along the whole length.

Following the identification of wide-spread mineralisation by re-assaying holes initially drilled in gold exploration in the Edison area, Pantoro initially embarked on a 3,000 metre program expanding mineralisation at Edison and the Western Limb. Thick, consistent mineralisation was demonstrated over approximately 1.5 km of strike, and additional assaying revealed that substantial nickel and cobalt mineralisation is also present.

REVIEW OF OPERATIONS (CONTINUED)



Geological plan showing drill programme coverage.

Results received to date from Edison and Western Limb include:

- 22 m @ 1.11 g/t Pt +Pd +Au(3E) ; 0.60 % Ni and 0.052% Co from surface.
- 31 m @ 2.42 g/t Pt +Pd +Au (3E) from surface.
- 38 m @ 2.34 g/t Pt +Pd +Au (3E) from 1 m.
- 26 m @ 1.42 g/t Pt +Pd +Au (3E) from 9 m.
- 34 m @ 2.02 g/t Pt +Pd +Au (3E) from surface.

Following success in that program, Pantoro has commenced, and substantially completed a 20,000 metre drill program when drilling recommenced in April 2022. Drilling is continuing and a number of results remain outstanding. Of note is that drilling in the northern zones has identified significant Rhodium and Iridium grades in addition to platinum and palladium. Results include:

- 4 m @ 2.76 g/t Pt + Pd + Au (3E) ; 0.143 g/t Rh and 0.134g/t Ir.
- 9 m @ 0.93 g/t Pt + Pd + Au (3E) ; 0.049 g/t Rh and 0.042g/t Ir.
- 30 m @ 1.38 g/t Pt + Pd + Au (3E) ; 0.081 g/t Rh and 0.075g/t Ir.

Lamboo PGE-Nickel Results

The information is extracted from reports entitled 'Wide Drill Hits Confirm Major PGE System at Halls Creek' created on 6 September 2021 and 'Rhodium and Iridium identified in Lamboo Nickel-PGE drilling' created on 21 July 2022 and are available to view on on the ASX (www.asx.com.au) and 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 announcements.

Pantoro recently completed a ground based EM survey at Lamboo, following up wide spaced historical anomalies. Data review is underway.

Results to date clearly demonstrate that the Lamboo PGE-Nickel discovery is of significant size and tenor. Pantoro will continue with both drilling and mineralogical studies during the next year with a view to demonstrate the commercial viability of the project.

ASX releases relating to the Lamboo PGE-Nickel project during the year were:

- 3 September 2021 – Wide Drill Hits Confirm Major PGE System at Halls Creek.
- 15 November 2021 – Drilling Confirms Large Scale Lamboo PGE Deposit.
- 22 November 2021 – Lamboo PGE Drilling to Continue.
- 2 December 2021 – Encouraging initial mineralogical evaluation on Lamboo PGE.
- 10 January 2022 – Significant Lamboo PGE strike extension.
- 1 March 2022 – Lamboo PGE continues to grow ahead 2022 drill campaign.
- 13 April 2022 – 20,000m Drill Programme Commences at Lamboo PGE Project.

Regional Exploration

Pantoro holds a dominant position in the Halls Creek Region with tenement holdings across the majority of the historical gold production areas and the only processing plant within 300 kilometres. There is no other commercial scale gold processing facilities in the Kimberley Region of Western Australia.

The current tenement package consists of the Nicolsons Project, the Grants Creek Project and the Mary River Project. Nicolsons is the only package currently in the production phase, however a small Mineral Resource has now been estimated at the Perseverance and Star of Kimberly deposits at Grants Creek.

The majority of the regional exploration effort at Halls Creek during the year was focused on the Lamboo PGE discovery. Some additional drilling work was undertaken at Grants Creek and also in southern extensions to the Nicolsons deposit.

In addition, ground based EM surveys were recently completed around potential strike extensions at Nicolsons, and at Paddock Well. Data review from the surveys is underway. A large airborne magnetic geophysics survey is scheduled for the Mary River and Grants Creek tenure early in the next financial year, and will be a major focus for target generation going forward.



The gold processing facility at the Nicolsons Mine.

REVIEW OF OPERATIONS (CONTINUED)

Corporate

Share Issues and Corporate Structure

On 14 March 2022, the Company announced an equity placement of \$45 million to sophisticated and professional investors at an issue price of \$0.29 per share. On 22 March 2022, the Company completed the \$45 million share placement and issued 155,172,414 ordinary shares.

698,530 employee Premium Exercise Price Options (PEPOs) were exercised and 600,470 employee Zero Exercise Price Options (ZEPOs) vested and exercised during the year with ordinary shares issued. In addition, 10,000,000 corporate advisor PEPOs were exercised during the year with ordinary shares issued.

175,229 Director salary sacrifice share rights were exercised during the year with ordinary shares issued.

The capital structure of the company at 30 June 2022 is shown in the table below:

Ordinary Shares (PNR)	1,575,044,871
Unlisted Options	36,363,636 (exercise \$0.275, expiry 30/9/2024)
Unlisted Employee Options	18,480,068 (various conversions and expiry dates)
Salary Sacrifice Share Rights	332,745

Gold Forward Contracts

Pantoro currently has no gold forward contracts.

Liquidity

Cash on hand at 30 June 2022 was \$52,040,884 (2021: \$47,382,063). As at 30 June 2022, the site gold inventory (628 ounces), cash and gold on hand (minus 24 ounces) was \$53.6 million.⁽¹⁾

(1) Using the 30 June 2022 spot gold price of A\$2,637.54.

Opposite
New Processing Facility, Norseman



MINERAL RESOURCES & ORE RESERVES

Pantoro Attributable Mineral Resource

	Measured			Indicated			Inferred			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Norseman Gold Project ⁽¹⁾	2,286	1.6	117	11,265	3.1	1,130	9,663	3.7	1,145	23,207	3.2	2,394
Halls Creek Project	383	9.4	115	584	6.2	116	353	4.7	53	1,320	6.7	284
Total	2,669	2.7	232	11,848	3.3	1,246	10,016	3.7	1,198	24,527	3.4	2,678

Norseman Gold Project Mineral Resource⁽²⁾

	Measured			Indicated			Inferred			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Total Underground	267	14.4	124	3,218	10.7	1,110	2,534	11.1	901	6,019	11.0	2,134
Total Surface South	140	2.3	10	15,104	1.8	874	13,466	2.6	1,125	28,711	2.2	2,014
Total Surface North	4,165	0.7	100	4,207	2.0	276	3,325	2.5	264	11,684	1.7	639
Total ⁽³⁾	4,572	1.6	234	22,529	3.1	2,259	19,325	3.7	2,290	46,414	3.2	4,787

Halls Creek Project Mineral Resource

	Measured			Indicated			Inferred			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Nicolsons	142	10.4	48	355	6.1	70	106	8.2	28	603	7.5	145
Wagtail	235	8.9	67	229	6.3	46	69	5.2	11	532	7.3	125
Grants Creek	-	-	-	-	-	-	179	2.4	14	179	2.4	14
Stockpiles	5	1.5	0	-	-	-	-	-	-	5	1.5	0
Total	383	9.4	115	584	6.2	116	353	4.7	53	1,320	6.7	284

(1) Pantoro attributable Mineral Resource via its 50% ownership of the Norseman Gold Project.

(2) Stated on a 100% basis for the Norseman Gold Project. Pantoro has a 50% ownership of the Norseman Gold Project.

Refer to the Notes on page 17 for further detail.

Pantoro Attributable Ore Reserve

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Norseman Gold Project ⁽¹⁾	2,083	0.8	50	5,202	2.6	436	7,285	2.1	486
Halls Creek Project	263	7.4	62	285	5.2	48	549	6.3	110
Total	2,346	1.5	113	5,487	2.7	484	7,833	2.4	597

Norseman Gold Project Ore Reserve⁽²⁾

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Underground	-	-	-	2,048	4.9	319	2,048	4.9	319
Open Pit - Northern Mining Centres	-	-	-	2,058	2.4	161	2,058	2.4	161
Open Pit - Southern Mining Centres	-	-	-	6,298	1.9	392	6,298	1.9	392
Stockpiles	4,165	0.8	100	-	-	-	4,165	0.8	100
Total	4,165	0.8	100	10,404	2.6	872	14,569	2.1	973

Halls Creek Project Ore Reserve

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Nicolsons Underground	30	4.9	5	45	6.5	9	75	5.8	14
Nicolsons Open Pits	39	9.9	12	52	4.2	7	91	6.6	19
Wagtail Underground	189	7.8	45	93	6.4	19	282	7.4	64
Wagtail Open Pits	-	-	-	95	4.3	13	95	4.3	13
Stockpiles	5	1.5	0	-	-	-	5	1.5	0
Total	263	7.4	62	285	5.2	48	549	6.3	110

(1) Pantoro attributable Mineral Resource via its 50% ownership of the Norseman Gold Project.

(2) Stated on a 100% basis for the Norseman Gold Project. Pantoro has a 50% ownership of the Norseman Gold Project. Refer to the Notes on page 17 for further detail.

MINERAL RESOURCES & ORE RESERVES (CONTINUED)

Notes to the Mineral Resources & Ore Reserves

Nicolsons Underground (3.0 g/t cut-off grade applied to stoping, 1.0 g/t cut-off grade applied to development). Wagtail Underground (2.8 g/t cut-off grade applied to stoping, 1.0 g/t cut-off grade applied to development). Open Pits (0.6 g/t cut-off grade applied).

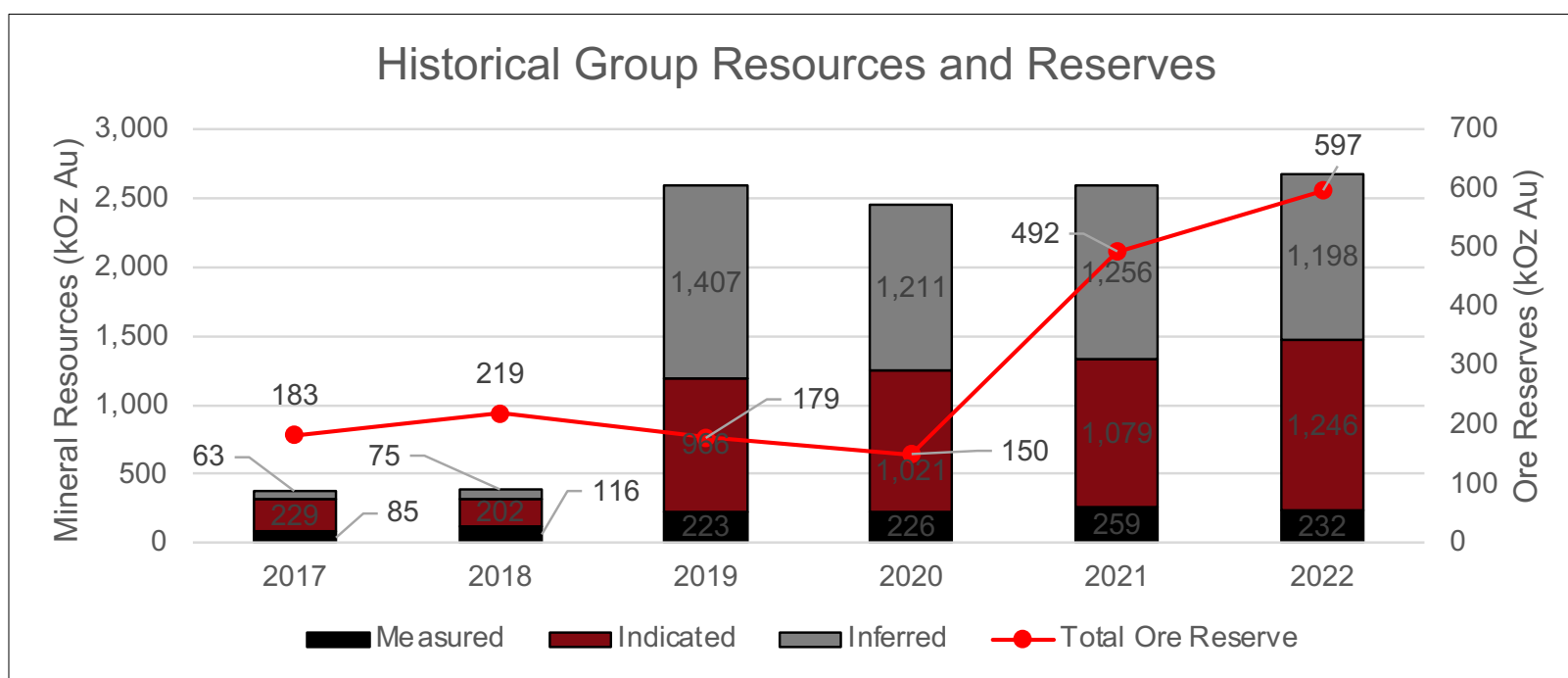
Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

Mineral Resource and Ore Reserve statements have been rounded for reporting.

Rounding may result in apparent summation differences between tonnes, grade and contained metal content.

Annual Update of Mineral Resource & Ore Reserves

Following the annual review of the Mineral Resource & Ore Reserves, the total Mineral Resource increased by 4% after mining depletion. The total Ore Reserve increased by 28% after mining depletion.



Pantoro Attributable Mineral Resource - Annual Change

	Measured			Indicated			Inferred			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
2021 Norseman	2,286	1.6	117	8,898	3.3	954	9,559	3.9	1,192	20,736	3.4	2,267
2021 Halls Creek	504	8.8	142	659	5.9	125	418	4.7	63	1,581	6.5	330
2021 Total	2,790	2.9	259	9,556	3.5	1,079	9,977	3.9	1,256	22,317	3.6	2,597
2022 Norseman	2,286	1.6	117	11,265	3.1	1,130	9,663	3.7	1,145	23,207	3.2	2,394
2022 Halls Creek	383	9.4	115	584	6.2	116	353	4.7	53	1,320	6.7	284
2022 Total	2,669	2.7	232	11,848	3.3	1,246	10,016	3.7	1,198	24,527	3.4	2,678

Pantoro Attributable Ore Reserve - Annual Change

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
2021 Norseman	2,083	0.8	50	3,729	2.6	307	5,811	1.9	357
2021 Halls Creek	490	5.1	80	387	4.5	56	877	4.8	136
2021 Total	2,573	1.6	130	4,116	2.7	363	6,688	2.3	492
2022 Norseman	2,083	0.8	50	5,202	2.6	436	7,285	2.1	486
2022 Halls Creek	263	7.4	62	285	5.2	48	549	6.3	110
2022 Total	2,346	1.5	113	5,487	2.7	484	7,833	2.4	597

MINERAL RESOURCES & ORE RESERVES (CONTINUED)

Annual Update of Mineral Resource & Ore Reserves (Continued)

Key changes in the Mineral Resource Estimate for the year include:

- The Green Lantern Mineral Resource (Norseman) has added an additional 85,000 ounces to the total inventory for a total inventory of 395,000 ounces with the addition of the 18,898 metres of drilling.
- The Scotia Underground Mineral Resource (Norseman) estimate has seen an increase in the Indicated Mineral Resource category related to additional deep diamond drilling.
- The O'Briens Mineral Resource in the Mainfield at Norseman was updated.
- The Nicolsons Mineral Resource (Halls Creek) has been depleted of ore mined up to 31 May 2022.
- The Wagtail Mineral Resource (Halls Creek) has been updated on account of underground mine development and grade control/extensional exploration drilling programs completed since the previous update.
- The Wagtail Mineral Resource inventory has been adjusted for mining depletion.
- The Wagtail South Mineral Resource has been updated to account for additional drilling and underground development.

Key changes in the Ore Reserve Estimate for the year include:

- The Green Lantern Mineral Resource (Norseman) was optimised and an additional 110,000 ounces were added to the Ore Reserve as a result.
- Drilling below the Scotia Open Pit (Norseman) evaluating the underground potential resulted in a significant increase in the Indicated Mineral Resource based on 55,657 metres of additional drilling. The conversion of the additional Indicated Mineral Resource saw an overall increase of 164,000 ounces to the Scotia Underground Ore Reserve.
- Conversion of the re-estimated O'Briens (Norseman) Indicated Mineral Resource to Ore Reserve added 21,000 ounces of Probable Ore Reserve
- The Nicolsons (Halls Creek) Ore Reserve has been depleted of ore mined up to 31 May 2022.
- The Wagtail (Halls Creek) Ore Reserve has been depleted of ore mined up to 31 May 2022.
- The Wagtail/Rowdies Ore Reserve has been recalculated utilising the updated Mineral Resource Estimate.
- The Wagtail South Ore Reserve has been recalculated utilising the updated Mineral Resource Estimate.

Material Changes between 30 June 2022 and 27 September 2022

Between 30 June 2022 and 27 September 2022 the Mineral Resource and Ore Reserve Estimates were updated as detailed above. There were no other material changes aside from mining depletion in the ordinary course of business.

Governance Arrangements and Internal Controls

Pantoro ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal reviews of Mineral Resource and Ore Reserve estimation procedures and results are carried out by the Managing Director and Operations Director. These reviews have not identified any material issues.

The Operations Director is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the Company and the estimation and reporting of resources and reserves

Pantoro reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Pantoro are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and qualify as Competent Persons as defined in the JORC Code.

JORC Compliance Statements

Exploration Targets and Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Scott Huffadine (B.Sc. (Hons)), a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Huffadine is a Director and full time employee of the company. Mr Huffadine is eligible to participate in short and long term incentive plans of and holds shares and options 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.

Mineral Resources & Ore Reserves

The information in this report that relates to Mineral Resources or Ore Reserves extracted from the report entitled 'Annual Mineral Resource & Ore Reserve Statement' created on 26 September 2022 and is available to view on Pantoro's website (www.pantoro.com.au) and the ASX (www.asx.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement 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.

DIRECTORS' REPORT

Your directors present their report on the company, being Pantoro Limited (the Company) and its controlled entities (the Group) for the financial year ended 30 June 2022.

DIRECTORS

The names of the directors in office and at any time during or since the end of the financial 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 Wayne Zekulich BBus, FCA – Independent Non-Executive Chairman⁽¹⁾

Mr Zekulich has a broad range of experience covering advice on mergers and acquisitions, arranging and underwriting project financings, and debt and equity capital markets. Wayne previously was the Chief Financial Officer for Gindalbie Metals Ltd and prior to that the Chief Development Officer of Oakajee Port and Rail. Wayne consults to Global Investment Bank and is on the Board of Infrastructure WA. In the Not-for-Profit sector, Wayne is Chair of The Lester Prize. Mr Zekulich serves on the Company's Remuneration and Audit and Risk Committees.

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

- Openn Negotiation Limited (listed on ASX 19 July 2021)
- archTIS (resigned 31/7/2020)

Mr Paul Cmrlec BEng (Mining), Honours – Managing Director

Mr Cmrlec is a qualified mining engineer with over 25 years of experience. He has worked in numerous production, planning and corporate roles during his career and has worked in both executive and non-executive board positions for a number of mining and exploration companies.

He has held senior operational and or corporate positions within a range of companies including Metals X Limited, Harmony Gold, and Anglo Gold Ashanti, and has been the Managing Director of Pantoro since 2011.

Mr Cmrlec has a project development and operations focus, and has been integral in transitioning Pantoro Limited from exploration company to active developer and producer. He was the key company driver behind the recent acquisition of 50% of the Central Norseman Gold Project.

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

- Maximus Resources Limited (appointed 18 October 2021)*

Mr Scott Huffadine BSc., Honours – Operations Director

Mr Huffadine is a geologist with more than 25 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:

- Kingfisher Mining Limited (Listed on ASX 9 December 2020)*
- Maximus Resources Limited (appointed 18 October 2021 – alternate director for Mr Cmrlec)*

Mr Kyle Edwards BArts/Law – Independent Non-Executive Director

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 10 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 is the Chair of the Company's Remuneration Committee and serves on the Audit and Risk Committee (both established 14 August 2020).

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

Fiona Van Maanen BBus, CPA, Grad Dip CSP – Independent Non-Executive Director (Appointed 3 August 2020)

Ms Van Maanen is a CPA, holds a Bachelor of Business (Accounting) and a Graduate Diploma in Company Secretarial Practice. Ms Van Maanen has significant experience in corporate governance, financial management and accounting in the mining and resources industry. Ms Van Maanen is also the Chair of the Company's Audit and Risk Committee and serves on the Remuneration Committee (both established 14 August 2020).

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

- Westgold Resources Ltd*

* Denotes current directorship

INTEREST IN SHARES AND OPTIONS OF THE COMPANY

As at 30 June 2022, the interests of the Directors in the shares and options of Pantoro Limited were:

Director	Ordinary Shares	Options	Share Rights
Paul Cmrlec	7,966,955	6,045,828	57,526
Kyle Edwards	669,789	1,000,000	138,804
Scott Huffadine	2,934,944	4,894,124	-
Fiona Van Maanen	100,389	-	85,418
Wayne Zekulich	421,374	-	50,997

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.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year was gold mining, processing and exploration in Western Australia.

DIRECTORS' REPORT (CONTINUED)

OPERATING RESULTS

At Norseman Gold Project final approvals were received for the construction of new processing facility with construction substantially completed during the year. Mining activities commenced late in the year in preparation for commissioning the processing facility. Significant exploration activities continued at the Norseman Gold Project throughout the year. At the Company's Halls Creek project, mining operations continued with steady production in the first half before labour availability issues due to WA border restrictions and COVID-19 reduced mining output.

Key metrics:

- Gold produced – 28,881 oz (2021: 35,464 oz)
- Revenue – \$73,520,853 (2021: \$87,790,363);
- Cost of goods sold – \$74,238,199 (2021: \$69,879,462);
- Gross loss – \$717,266 (2021: \$17,910,901 profit);
- Loss before income tax – \$10,742,266 (2021: \$12,003,926 profit);
- Net Cash flows from operating activities – \$19,737,594 (2021: \$33,618,520);
- Net Cash flows used in investing activities – \$73,626,570 (2021: \$51,455,922); and
- Net Cash flows from financing activities – \$58,547,797 (2021: \$42,727,084).

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2022, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 55,176,449 ordinary shares under options and rights.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of exercising options

There were 698,530 (2021: nil) employee PEPOs exercised and 600,470 (2021: 1,203,998) employee ZEPOs exercised during the financial year with ordinary shares issued. In addition, 10,000,000 corporate advisor PEPOs were exercised during the financial year with ordinary shares issued.

175,229 (2021: nil) director salary sacrifice share rights were exercised during the financial year with ordinary shares issued, refer to note 25(e).

REVIEW OF OPERATIONS

A full review of the operations of the Group during the year ended 30 June 2022 is included in this report. Refer to Review of Operations for further detail.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

AFTER BALANCE DATE EVENTS

On 4 July 2022, 3,500,000 director PEPOs with exercise price \$0.24 expired unexercised. On the same date, a further 3,500,000 director PEPOs with exercise price \$0.25 expired unexercised.

On 8 July 2022, the Company announced the issue of 1,102,730 ordinary shares upon the vesting and exercise of unlisted employee options and the lapsing of 1,294,282 unlisted employee options. These unlisted employee options transactions were from tranche two of ZEPOs granted 16 October 2020, 16 November 2020 and 31 May 2021 and tranche one of ZEPOs granted 1 and 17 November 2021.

On 1 August 2022, the Company announced an update to the Mineral Resource and Ore Reserve at the Green Lantern deposit, part of the Scotia Mining Centre at the Norseman Gold Project. The Mineral Resource now stands at 10Mt @ 1.2g/t Au for 395,000 ounces and the Ore Reserve 4.3Mt @ 1.3g/t AU for 185,000 ounces.

On 5 August 2022, the Company announced the issue of 21,855 ordinary shares upon the exercise of Director salary sacrifice share rights.

On 2 September 2022, the Company announced the issue of 69,402 ordinary shares upon the exercise of Director salary sacrifice share rights.

On 6 September 2022, the Company announced practical completion of construction of the new Norseman Gold Project one million tonne per annum processing plant has been achieved.

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 Group, the results of those operations or the state of affairs of the Group 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 REGULATIONS AND PERFORMANCE

The Group's operations are subject to significant environmental regulations under the laws of Australia. These issues are dealt with by the Operations Director of the Company.

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

MATERIAL BUSINESS RISKS

The Group prepares its business plans using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2022 are:

COVID-19

The Group continues to actively respond to the ongoing COVID-19 virus currently impacting people and businesses globally. Site and corporate risk assessments, plans and assessments remain dynamic and are reviewed and updated frequently based on government data and as local situations change. We continue to monitor, assess, and respond to these ongoing changes to risk.

Fluctuations in the gold price and Australian dollar

The Group's revenues are exposed to fluctuations in the gold and silver prices and the Australian dollar. Volatility in the gold and silver prices and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar price fall.

DIRECTORS' REPORT (CONTINUED)

MATERIAL BUSINESS RISKS (CONTINUED)

Fluctuations in the gold price and Australian dollar (Continued)

Declining gold and silver prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial condition.

Mineral Resources and Ore Reserves

The Group's Mineral Resources and Ore Reserves are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold, silver or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part or all of the Group's Mineral Resources constitute or will be converted into Ore Reserves.

Market price fluctuations of gold and silver as well as increased production and capital costs may render the Group's Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resources and Ore Reserves, which could have a negative impact on the Group's financial results.

Replacement of depleted Ore Reserves

The Group must continually replace Ore Reserves depleted by production to maintain production levels over the long term. Ore Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Group's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible.

As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of Ore Reserves will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower Ore Reserve base. The Mineral Resource base of the Group may decline if Ore Reserves are mined without adequate replacement and the Group may not be able to sustain production beyond the current mine lives, based on current production rates.

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and weather conditions (including flooding and bush fires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation.

The Group maintains insurance to cover common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

Production and cost estimates

The Group may prepare estimates of future production, cash costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Group's future cash flows, profitability, results of operations and financial condition.

The Group's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the Ore Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, water availability and floods; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Environmental, health and safety, and permits

The Group's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection and management of the environment, water management, waste disposal, worker health and safety, mine development and rehabilitation and the protection of endangered and other special status species. The Group's ability to obtain permits and approvals and to successfully operate may be adversely impacted by real or perceived detrimental events associated with the Group's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Group's operations, including its ability to continue operations.

The Group has implemented extensive health, safety and community initiatives at its sites to manage the health and safety of its employees, contractors and members of the community. While these control measures are in place there is no guarantee that these will eliminate the occurrence of incidents which may result in personal injury or damage to property. In certain instances such occurrences could give rise to regulatory fines and/or civil liability.

Climate Change

The Group acknowledges that climate change is occurring, and its effects have the potential to impact our business and communities. The most significant climate related risks include the following: reduced water availability; extreme weather or health events; emissions and waste, changes to legislation and regulation; reputational risk; technological and market changes; and shareholder activism.

The Group is committed to understanding and proactively managing the impact of climate related risks to our business and our environment.

The Group transparently reports our emissions and energy consumption performance. Each year, annual reports are submitted the Australia's National Pollutant Inventory (NPI) and the National Greenhouse and Energy Reporting Act 2007 (NGER Act) to estimate greenhouse gas (GHG) emissions and energy use at our Australian operations.

The Group is currently undertaking a process to review and update its governance frameworks to include climate-related risks with the Board actively considering these risks in its decision-making. Pantoro management has begun implementing climate strategy and risk management considerations into its management and reporting systems.

Community relations

The Group maintains active community relations programmes at both site and corporate level. The Group recognises that maintaining trusted relationships with our local community stakeholders throughout the entire mining cycles is an essential part of securing and maintain our social licence to operate, including with our First Nation People's communities.

Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction which has the potential to disrupt production and exploration activities.

Risk management

The Group manages the risks listed above, and other day-to-day risks through an established management framework which conforms to Australian and international standards and guidance. The Group's risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed.

Financial reporting and control mechanisms are reviewed during the year by management, , the Audit & Risk Committee and the external auditors.

The Group has policies in place to manage risk in the areas of Health, Safety, Environment, Cultural Heritage and Equal Employment Opportunity.

REMUNERATION REPORT

CONTENTS

1. Remuneration report overview
2. Role of the Remuneration Committee
3. Remuneration governance
4. Non-Executive Director remuneration
5. Executive remuneration
6. Performance and executive remuneration outcomes
7. Executive employment arrangements
8. Additional statutory disclosure

1. REMUNERATION REPORT OVERVIEW

The directors of Pantoro present the Remuneration Report (the Report) for the Group for the year ended 30 June 2022 (FY2022). This Report forms part of the Director's Report and has been audited in accordance with section 300A of the *Corporations Act 2001* and its regulations.

The Report details the remuneration arrangements for Pantoro's Key Management Personnel (KMP) being the:

- Non-Executive Directors (NEDs); and
- Managing Director (MD), executive directors and senior executives (collectively "the executives").

KMP are those who directly, or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group.

Details of KMP of the Group are set out below:

Name	Position	Appointed	Resigned
(i) Non-Executive Directors			
W Zekulich	Non-Executive Chairman	2 October 2019	-
K Edwards	Non-Executive Director	5 October 2016	-
FJ Van Maanen	Non-Executive Director	4 August 2020	-
(ii) Executive Directors			
PM Cmrlec	Managing Director & CEO	1 June 2010	-
SJ Huffadine	Operations Director	15 March 2016	-
(iii) Senior Executives			
SM Balloch	Chief Financial Officer	31 October 2014	-
DW Okeby	Company Secretary	31 October 2014	-

2. ROLE OF REMUNERATION COMMITTEE

The Remuneration Committee is responsible for oversight of the remuneration system and policies. It is also responsible for evaluating the performance of the Executive Directors and monitoring performance of the executive management team. The Board, upon recommendation of the Remuneration Committee, determines the remuneration of the Executive Directors. The Remuneration Committee reviews and approves the remuneration of the executive management team (other than the Executive Directors).

The objective of the Remuneration Committee is to ensure that the Company's remuneration system and policies attract and retain executives and directors who will create sustained value for shareholders.

REMUNERATION REPORT (CONTINUED)

3. REMUNERATION GOVERNANCE

The Remuneration Committee makes recommendations to the Board on:

- Executive Director and senior executive remuneration; and
- The executive remuneration framework and incentive plan policies.

The Remuneration Committee assess the appropriateness of the nature and amount of remuneration of Non-Executive Directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors and executive team. The composition of the Remuneration Committee is set out on page 47 of this financial report.

Services from remuneration consultants

During the year, the Remuneration Committee did not engage with any remuneration advisors but continued to apply the previous recommendations provided by Godfrey Remuneration Group (GRG) in FY2021 on the Group's remuneration practices.

Recommendations applied

The long term incentive (LTI) policy was amended, in the prior year, to focus the efforts of executives on long term value creation to further align management's interests with those of shareholders. The LTI will be considered to be an annual "at risk" component of remuneration for executives that is payable in zero exercise price options (ZEPOs) (being an option to acquire an ordinary share in Pantoro for nil consideration).

The Managing Director will have a maximum LTI opportunity of 100% of fixed remuneration, the Operations Director will have a maximum LTI opportunity of 75% of fixed remuneration and other executives have a maximum LTI opportunity of 50% of fixed remuneration.

All grants of options will be made in a single tranche with a three year performance period. The performance conditions will be 50% relative total shareholder return and 50% absolute share price performance. There will be no opportunity for re-testing. Any options that do not vest will lapse after testing. Executives are able to exercise any options that vest for up to two years after the vesting date before the vested options lapse. NED remuneration was also changed to reflect current remuneration practices and levels to cover all activities associated with their role on the Board and any sub-committees. Changes are shown below:

Position	FY2022 Fixed Annual Remuneration (Inclusive of superannuation)
Chairman ⁽¹⁾	\$136,000
Non-Executive Director	\$80,000
Committee Chairperson	\$12,000
Committee Member	\$6,000

(1) No additional fees are payable to the Chairman for committee membership.

The Board has adopted a shareholding policy under which all NEDs are encouraged to acquire and maintain a minimum shareholding in the Company equal to 100% of their base fees. There is a target to meet this within 3 years with a requirement to ensure this occurs within 5 years from adoption of the shareholding policy or from appointment, whichever is later.

The Company implemented a Directors salary sacrifice plan after approval at the Annual General Meeting on 17 November 2021. The salary sacrifice plan allows for Non-Executive and Executive Directors to annually elect to sacrifice their fees, or a portion of their fees, for share rights or options to acquire shares in the Company. Participation is voluntary at the election of the director. No performance conditions are included in these rights or option as they are in lieu of directors fees.

Remuneration report at FY2021 AGM

The FY2021 remuneration report received positive shareholder support at the FY2021 AGM with a vote of 99.79% in favour.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

NED Remuneration Policy

Pantoro's NED fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity.

The Company's constitution and the ASX listing rules specify that the NED fee pool limit, can only be increased by shareholders. The last determination was approved at a General Meeting of shareholders on 17 November 2021 with an aggregate fee pool of \$450,000 per year.

The amount of the aggregate remuneration sought to be approved by shareholders and the manner in which it is paid to NEDs is reviewed against comparable companies. The Board also considers advice from external advisors when undertaking the review.

Non-Executive Directors are encouraged to hold shares in the Company and align their interests with the Company's shareholders. The Company has a shareholding policy under which all NEDs are encouraged to acquire and maintain a minimum shareholding in the Company equal to 100% of their base fees. There is a target to meet this within 3 years of appointment. To assist with achieving this policy a Directors salary sacrifice plan has been adopted (refer to section 3).

NED Remuneration Structure

The remuneration of NEDs consists of director's fees. There is no scheme to provide retirement benefits to NEDs other than statutory superannuation. NEDs generally do not participate in any performance-related incentive programs.

Fees paid to NEDs cover all activities associated with their role on the Board and any sub-committees. Additional fees are paid to NEDs (the Chairman receives no additional fees) for being a Chair or Member of a sub-committee. NEDs are entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform extra services on behalf of the Company. NEDs may be issued with non-performance based share options in exceptional circumstances as considered appropriate by the Board, which is subject to shareholder approval in accordance with the ASX Listing Rules. They may also be reimbursed for out-of-pocket expenses incurred as a result of their directorships.

In recognition of extra services performed by Mr Edwards associated with the Norseman Gold Project transaction Mr Edwards was issued 1,000,000 premium exercise price options (PEPOs) as approved and granted at General Meeting of shareholders on 1 July 2019. Recognition of expenses in relation to these PEPOs commenced in 30 May 2019. These PEPOs were issued in two equal tranches with a one year and two year vesting period respectively before vesting.

REMUNERATION REPORT (CONTINUED)

5. EXECUTIVE REMUNERATION

Executive Remuneration Policy

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain high calibre talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- linked to the performance of the Company;
- transparent and easily understood; and
- acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance and is simple to administer and understand by executives and shareholders.

In line with the remuneration policy, remuneration levels are reviewed annually to ensure alignment to the market and the Company's stated objectives to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Executive Remuneration Structure

The Company's remuneration structure provides for a combination of fixed and variable pay with the following components:

- fixed remuneration;
- short-term incentives (STI); and
- long-term incentives (LTI).

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a portion of executives' remuneration is placed "at risk". The relative proportion of FY2022 potential total remuneration packages split between the fixed and variable remuneration is shown below:

Executive	Fixed remuneration	STI	LTI
Managing Director	40%	20%	40%
Operations Director	45%	22%	33%
Other Executives	53%	21%	26%

Elements of remuneration

Fixed remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- the scope of the executive's role;
- the executive's skills, experience and qualifications; and
- individual performance.

Short Term Incentive (STI) arrangements

Under the STI, all executives have the opportunity to earn an annual incentive award which is delivered in cash. The STI recognises and rewards annual performance.

How is it paid?	Any STI award is paid in cash after the assessment of annual performance.
How much can executives earn?	In FY2022, the STI dollar values that executives are entitled to receive as a percentage of their fixed remuneration would not exceed 50% for the Executive Directors and 40% for the other executives.
How is performance measured?	A combination of specific Company Key Performance Indicators (KPIs) are chosen to reflect the core drivers of short-term performance and provide a framework for delivering sustainable value to the Group and its shareholders. The following KPIs were chosen for FY2022: • KPI 1: HCM Safety & environmental performance targets (12.5%); • KPI 2: HCM project net cashflow relative to budget (12.5%); • KPI 3: HCM Gold production relative to budget (12.5%); • KPI 4: NGP Safety & environmental performance targets (12.5%); • KPI 5: NGP Conversion to mining plan (10%); • KPI 6: NGP Exploration discoveries with mineral resource (3.75%); • KPI 7: NGP Exploration discoveries (3.75%); • KPI 8: NGP Commencement of mining (7.5%); and • KPI 9: Personal KPI as assessed by the Board (25%). These measures have been selected as they can be reliably measured, are key drivers of value for shareholders and encourage behaviours in line with the Company's core values.
When is it paid?	The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Remuneration Committee. The Remuneration Committee approves the final STI award based on this assessment of performance and the award is paid in cash up to four months after the end of the performance period.
What happens if an executive leaves?	Where executives cease to be an employee of the Group: • due to resignation or termination for cause, before the end of the financial year, no STI is awarded for that year; or • due to redundancy, ill health, death or other circumstances approved by the Board, the executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year. unless the Board determines otherwise.
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment will be made based on assessment of performance up to the date of the change of control (subject to Board discretion).

STI performance

A combination of financial and non-financial measures were used to measure performance for STI rewards, with a score being calculated on the following measures:

Metric	Weight	Targets	Score
Halls Creek Project (HCM)			
Safety – Medically Treated Injury Frequency Rate (MTIFR)	5	Annual MTIFR decreases by 25% or more	5
		Annual MTIFR stays within ±25%	2.5
		Annual MTIFR increases by 25% or more	0
Safety – Lost Time Injury Frequency Rate (LTIFR)	5	Annual LTIFR decreases by 25% or more	5
		Annual LTIFR stays within ±25%	2.5
		Annual LTIFR increases by 25% or more	0
Environmental	2.5	Exceptional environmental management performance	5
		No serious breaches of environmental management	1.25
		Serious breach of environmental management	0
Project net cashflow relative to budget	12.5	Outperform budget by 10%	12.5
		Outperform budget by between 5% and 10%	10
		Outperform budget by less than 5%	7.5
		Underperforms budget by less than 5%	5
		Underperforms budget by between 5% & 10%	2.5
		Underperforms budget by more than 10%	0
Gold Production relative to budget	12.5	Outperform budget by 10%	12.5
		Outperform budget by between 5% and 10%	10
		Outperform budget by less than 5%	7.5
		Underperforms budget by less than 5%	5
		Underperforms budget by between 5% & 10%	2.5
		Underperforms budget by more than 10%	0
Norseman Gold Project (NGP)			
Safety – Medically Treated Injury Frequency Rate (MTIFR)	5	Annual MTIFR decreases by 25% or more	5
		Annual MTIFR stays within ±25%	2.5
		Annual MTIFR increases by 25% or more	0
Safety – Lost Time Injury Frequency Rate (LTIFR)	5	Annual LTIFR decreases by 25% or more	5
		Annual LTIFR stays within ±25%	2.5
		Annual LTIFR increases by 25% or more	0
Environmental	2.5	No reportable environmental incidents or non compliance	5
		Up to 2 self reported non-compliance with no ongoing consequence	1.25
		Serious breach of environmental management or >2 reportable occurrences	0
Ore reserve	5	Ore Reserve total 500,000 ounces or more	5
		Ore Reserve > 250,000 ounces	2.5
		Ore Reserve < 250,000 ounces	0
Project construction	5	Plant construction starts within one month of approvals, on track for completion within 47 weeks of commencement. Remainder of project on track to achieve schedule.	5
		Construction and mining on track with a delay of 0 – 2 months.	2.5
		Construction of project not adequately progressed for production to meet target.	0
Exploration	3.75	Two or more new discoveries with maiden mineral resource for mining optimisation	3.75
		One new discovery with maiden mineral resource suitable for mine optimisation	2.5
		One or more new discoveries but not adequate for mineral resource	1.25
		No new discoveries	0
Resource Development	3.75	Increase Mineral Resource by more than 15%	3.75
		Increase Mineral Resource by more than 10%	2.5
		Increase Mineral Resource by more than 5%	1.25
		Increase Mineral Resource by less than 5%	0
Commencement of mining	7.5	Open pit and underground mining underway, progressed to meet mill build schedule	7.5
		UG or OP not progressed adequately, contingency to ensure no ore shortage.	5
		Mining not adequately progressed to prevent mill ore shortage	0
Personal			
Personal performance	25	Exception effort and exceptional achievement	25
		Good Effort and Exceptional Achievement	20
		Good Effort and Good Achievement	15
		Average Effort and Good Achievement	10
		Average Effort and Average Achievement	5
Total	100		

5. EXECUTIVE REMUNERATION (Continued)

Short Term Incentive (STI) arrangements (Continued)

STI outcomes

Performance against those measure is as follows for FY2022:

Name	Position	Achieved STI %	STI Awarded (i) \$	Maximum potential award \$
PM Cmrlec	Managing Director	50	120,000	240,000
SJ Huffadine	Director of Operations	50	100,000	200,000
SM Balloch	Chief Financial Officer	50	64,000	128,000
DW Okeby	Company Secretary	50	59,000	118,000
Total			343,000	686,000

(i) The FY2022 STI awards were paid in August 2022.

Long Term Incentive (LTI) arrangements

Under the LTI plan, annual grants of options are made to executives to align remuneration with the creation of shareholder value over the long-term.

How is it paid?	Executives are eligible to receive options. In FY2022 ZEPOs were issued, being an option to acquire an ordinary share in Pantoro for a zero exercise price.
Are options eligible for dividends?	Executives are not eligible to receive dividends on unvested options.
How much can executives earn?	The LTI dollar values that executives are entitled to receive as a percentage of their fixed remuneration would not exceed 100% (FY2021: 50%) for the Managing Director, 75% (FY2021: 50%) for the Operations Director and 50% (FY2021: 40%) for the other executives. The number of options granted is determined by reference to the LTI dollar values divided by the 5 day volume weighted average share price (VWAP) prior to the day of approval by the Remuneration Committee.
How is performance measured?	ZEPOs The options will vest and become exercisable subject to the service and performance conditions being met. The Board considers that Total Shareholder Return (TSR) is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is linked to Pantoro's ability to deliver superior shareholder returns relative to its peer companies by comparing the TSR performance against the performance of the S&P/All Ordinaries Gold Index. The Board considers that Absolute Share Price (ASP) is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is explicitly linked to shareholder value and ensures that participants only receive a benefit where there is a corresponding direct benefit to shareholders.

REMUNERATION REPORT (CONTINUED)

5. EXECUTIVE REMUNERATION (CONTINUED)

Long Term Incentive (LTI) arrangements (Continued)

How is performance measured? (Continued)

The service condition requires:

- Continued employment for the three-year period from 1 July 2021 to 30 June 2024.

The performance condition comprises the following:

- Relative Total Shareholder Returns (50%); and
- Absolute Share Price Performance (50%).

Relative Total Shareholder Return Performance Condition

TSR is the percentage growth in shareholder value, which takes into account factors such as changes in share price and dividends paid. The Relative TSR performance condition measures Pantoro's ability to deliver superior shareholder returns relative to its peer companies by comparing the share price performance of Pantoro against the performance of the S&P/All Ordinaries Gold Index. The vesting schedule for the Relative TSR measure is as follows:

Relative TSR Performance	% Contribution to the Number of Employee Options to Vest
Below Index	0%
Equal to the Index	50%
Above Index and below 15% above the Index	Pro-rata from 50% to 100%
15% above the Index	100%

Absolute Share Price Performance Condition

ASP measures the movement in Pantoro's share price from over the measurement period. The vesting schedule for the ASP measure is as follows:

ASP Performance	% Contribution to the Number of Employee Options to Vest
Share price appreciation < 10%	0%
Share price appreciation > 10%	50%
Share price appreciation > 10% < 60%	Pro-rata from 50% to 100%
Share price appreciation > 60%	100%

PEPOs

PEPOs issued to Executive Directors in July 2019 were made in two equal tranches, with a one year and two year service-period performance measure. PEPOs issued to Other Executives in November 2019 have a one year service-period performance measure.

There are no other performance conditions, they are designed as a retention plan.

The options have an exercise price of 130% of the 5-day VWAP of Pantoro shares traded on the ASX prior to the day of the grant.

When is performance measured?	ZEPOs The testing date is 1 July 2024 unless otherwise determined by the Board. Executives may exercise the options for up to two years after the vesting date before the options lapse. PEPOs Tranche 1 – Executive Directors The measurement date is 4 July 2020 Tranche 2 – Executive Directors The measurement date is 4 July 2021 unless otherwise determined by the Board. Other Executives The measurement date is 8 November 2020
What happens if an executive leaves?	Where executives cease to be an employee of the Group: • due to resignation or termination for cause, then any unvested options will automatically lapse on the date of the cessation of employment; or • where an employee ceases employment after the vesting of their options, the options automatically lapse after three months of cessation of employment. unless the Board determines otherwise on compassionate grounds.

6. PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES

Remuneration earned by executives in 2022

The actual remuneration earned by executives in the year ended 30 June 2022 is set out in Table 1. This provides shareholders with a view of the remuneration paid to executives for performance in FY2022 year.

STI performance and outcomes

A combination of financial and non-financial measures were used to measure performance for STI rewards. As a result of the Group's performance against those measures STIs rewarded for the FY2022 were paid in August 2022, but have been disclosed in Table 1.

LTI performance and outcomes

ZEPOs granted in FY2022 will be subject to performance hurdles and issued in a single tranche with a three year vesting period ending in July 2024.

Executive directors and other executives were granted 5,409,006 FY2022 ZEPOs in November 2021 under the Incentive Options and Performance Rights Scheme.

Executive Directors (PM Cmrlec and SJ Huffadine) were granted a total 6,000,000 PEPOs and Non-Executive Director Mr Edwards was granted 1,000,000 PEPOs in May 2019. These were both approved by shareholders at the General Meeting held on 1 July 2019 and issued on 4 July 2019. 50% of these PEPOs vested in FY2021 and 50% vested in FY2022.

In FY2019 other executives were granted a total 1,021,876 ZEPO's in November 2019 under the Incentive Options and Performance Rights Scheme. In FY2022 tranche 2 of the ZEPOs were tested against performance hurdles resulting in 255,470 vesting and the lapsing of 255,468.

In FY2021 Executive Directors were granted a total of 2,062,864 ZEPOs in October 2020 and other executives granted a total of 1,041,256 ZEPOs in two tranches of 50%. In FY2022 tranche 1 of the ZEPOs were tested against performance hurdles resulting in the lapsing of 1,552,060 and nil vesting. Tranche 2 will be tested against performance hurdles in FY2023.

For further details of options granted and vested refer to Table 5 below.

REMUNERATION REPORT (CONTINUED)

6. PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES (CONTINUED)

Remuneration earned by executives in 2022 (Continued)

Overview of Company performance

The table below sets out information about Pantoro's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	30 June 2022	30 June 2021	30 June 2020 ⁽²⁾	30 June 2019 ⁽³⁾	30 June 2018
Closing share price	\$0.19	\$0.20	\$0.27	\$0.20	\$0.30
Profit/(loss) per share (cents)	(0.74)	0.87	(2.49)	0.10	1.76
Net tangible assets per share (cents) ⁽¹⁾	12.24	11.06	7.61	9.33	5.75
Total Shareholder Returns	-5%	-25%	33%	-33%	20%
Dividends	-	-	-	-	-

(1) Net tangible assets per share includes right-of-use assets and lease liabilities.

(2) The comparatives have not been adjusted for the changes due to the adoption of AASB 16 in 2020.

(3) The comparatives have not been adjusted for the changes due to the adoption of AASB 15 and AASB 9 in 2019.

Clawback of remuneration

In the event of serious misconduct or material misstatement in the Group's financial statements, the board has the discretion to reduce, cancel or clawback any unvested short-term incentives or long-term incentives.

Share trading policy

The Pantoro trading policy applies to all non-executive directors and executives. The policy prohibits employees from dealing in Pantoro securities while in possession of material non-public information relevant to the Group or during certain periods (without consent of the chairman). Executives must not enter into any hedging arrangements over unvested long-term incentives under the Group's long-term incentive plan. The Group would consider a breach of this policy as gross misconduct, which may lead to disciplinary action and potentially dismissal.

7. EXECUTIVE EMPLOYMENT ARRANGEMENTS

A summary of the key terms of employment agreements for executives is set out below. There is no fixed term for executive service agreements and all executives are entitled to participate in the Company's STI and LTI plans. The Company may terminate employment agreements immediately for cause, in which the executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

Name	Base Salary \$	Superannuation	Notice Period	Termination Payment*
PM Cmrlec (Managing Director)	480,000	10% to a maximum of \$27,500	6 months	6 months base salary
SJ Huffadine (Operations Director)	372,500	10% to a maximum of \$27,500	6 months	6 months base salary
SM Balloch (Chief Financial Officer)	297,500	10% to a maximum of \$27,500	3 months	3 months base salary
DW Okeby (Company Secretary)	268,182	10%	3 months	3 months base salary

* Represents payments in lieu of notice for termination of employment agreements by the Group for anything other than for cause.

REMUNERATION REPORT (CONTINUED)

7. EXECUTIVE EMPLOYMENT ARRANGEMENTS (CONTINUED)

Table 1: Remuneration for the year ended 30 June 2022

2022	Short Term		Post employment	Long term benefits	Share-based payments	Total	% Performance related ⁽²⁾
	Salary and Fees	Cash Bonus	Superannuation	Leave ⁽¹⁾	Options/Rights		
Directors							
Paul Cmrlec	468,000	120,000	27,500	19,951	227,281	862,732	39
Kyle Edwards	55,311	-	8,909	-	37,380	101,600	-
Scott Huffadine	372,500	100,000	27,500	14,577	131,168	645,745	36
Fiona Van Maanen	78,697	-	8,909	-	11,460	99,066	-
Wayne Zekulich	112,998	-	12,364	-	11,729	137,091	-
	1,087,506	220,000	85,182	34,528	419,018	1,846,234	
Other key management personnel							
Scott Balloch	297,500	64,000	27,500	21,734	43,915	454,649	24
David Okeby	268,182	59,000	26,818	15,780	39,662	409,442	24
	565,682	123,000	54,318	37,514	83,577	864,091	
Total	1,653,188	343,000	139,500	72,042	502,595	2,710,325	

(1) Leave entitlement relates to annual and long service leave excluding oncosts.

(2) Share-based payments relating to PEPOs are disregarded from performance measure as they only have a length of service condition which is not considered performance related.

Table 2: Remuneration for the year ended 30 June 2021

2021	Short Term		Post employment	Long term benefits	Share-based payments	Total	% Performance related ⁽²⁾
	Salary and Fees	Cash Bonus	Superannuation	Leave ⁽¹⁾	Options		
Directors							
Paul Cmrlec	480,000	147,000	25,878	9,902	86,124	748,904	26
Kyle Edwards	70,000	-	6,650	-	12,549	89,199	-
Scott Huffadine	360,000	110,250	25,000	32,289	74,004	601,543	24
Michael Jefferies ⁽³⁾	5,645	-	536	-	-	6,181	-
Fiona Van Maanen ⁽⁴⁾	63,602	-	6,042	-	-	69,644	-
Wayne Zekulich	100,000	-	9,500	-	-	109,500	-
	1,079,247	257,250	73,606	42,191	172,677	1,624,971	
Other key management personnel							
Scott Balloch	280,000	68,600	26,609	19,469	46,382	441,060	24
David Okeby	250,000	61,250	23,750	12,265	41,657	388,922	24
	530,000	129,850	50,359	31,734	88,039	829,982	
Total	1,609,247	387,100	123,965	73,925	260,716	2,454,953	

(1) Leave entitlement relates to annual and long service leave excluding oncosts.

(2) Share-based payments relating to PEPOs are disregarded from performance measure as they only have a length of service condition which is not considered performance related.

(3) Mr Jefferies resigned 4 August 2020.

(4) Ms Van Maanen was appointed 4 August 2020.

REMUNERATION REPORT (CONTINUED)

7. EXECUTIVE EMPLOYMENT ARRANGEMENTS (CONTINUED)

The remuneration detailed in table 3 represents the KMP's "take home pay" and is a non-IFRS disclosure which is particularly useful in understanding the cash value of remuneration realised during the year. The table excludes adjustments made for accounting purposes and included in Statutory Remuneration (refer to Tables 1 and 2 above), specifically long service leave expenses recognised prior to the achievement of 7 years' continuous employment and the fair value of options under two outstanding LTI cycles expensed and not exercised during the reporting period. The value of director salary sacrificed share rights as expensed over the vesting period in Table 1 are excluded and instead recognised on exercising by reference to the share price on exercise date during the period.

Table 3: Take home pay for the year ended 30 June 2022

2022	Salary and fees	STI bonus	Superannuation	Leave ⁽¹⁾	Exercise of Options/Rights ⁽²⁾	Total
Directors						
Paul Cmrlec	468,000	120,000	27,500	11,068	-	626,568
Kyle Edwards	55,311	-	8,909	-	36,089	100,309
Scott Huffadine	372,500	100,000	27,500	4,458	-	504,458
Fiona Van Maanen	78,697	-	8,909	-	-	87,606
Wayne Zekulich	112,998	-	12,364	-	10,199	135,561
	1,087,506	220,000	85,182	15,526	46,288	1,454,502
Other key management personnel						
Scott Balloch	297,500	64,000	27,500	13,721	29,731	432,452
David Okeby	268,182	59,000	26,818	13,803	85,195	452,998
	565,682	123,000	54,318	27,524	114,926	885,450
Total	1,653,188	343,000	139,500	43,050	161,214	2,339,952

(1) Leave entitlement relates to annual leave excluding oncosts.

(2) The value of options is calculated by reference to the share price on exercise date less any applicable exercise price (PEPO's). Where the share price is lower than exercise price then no value is recorded.

Table 4: Take home pay for the year ended 30 June 2021

2021	Salary and fees	STI bonus	Superannuation	Leave ⁽¹⁾	Exercise of Options ⁽²⁾	Total
Directors						
Paul Cmrlec	480,000	147,000	25,878	5,529	-	658,407
Kyle Edwards	70,000	-	6,650	-	-	76,650
Scott Huffadine	360,000	110,250	25,000	17,993	-	513,243
Michael Jefferies ⁽³⁾	5,645	-	536	-	-	6,181
Fiona Van Maanen ⁽⁴⁾	63,602	-	6,042	-	-	69,644
Wayne Zekulich	100,000	-	9,500	-	-	109,500
	1,079,247	257,250	73,606	23,522	-	1,433,625
Other key management personnel						
Scott Balloch	280,000	68,600	26,609	12,925	64,405	452,539
David Okeby	250,000	61,250	23,750	10,572	54,580	400,152
	530,000	129,850	50,359	23,497	118,985	852,691
Total	1,609,247	387,100	123,965	47,019	118,985	2,286,316

(1) Leave entitlement relates to annual leave excluding oncosts.

(2) The value of options is calculated by reference to the share price on exercise date less any applicable exercise price (PEPO's). Where the share price is lower than exercise price then no value is recorded.

(3) Mr Jefferies resigned 4 August 2020.

(4) Ms Van Maanen was appointed 4 August 2020.

REMUNERATION REPORT (CONTINUED)

8. ADDITIONAL STATUTORY DISCLOSURES

Table 5: Compensation options/rights – Granted and vested during the year

The table below shows options and performance rights granted and vested during the 2022 financial year.

2022	Granted Number	Grant Date	Fair value per Option/ Right at Grant Date \$	Fair value of options granted \$	Exercise Price \$	Vesting Date	Expiry Date	Options/ rights vesting during the year	Options/ rights lapsed during the year
Directors and key management personnel									
S Balloch-PEPOs	500,000	4/10/19	0.0721	36,050	0.205	8/11/20	8/11/22	-	-
S Balloch-ZEPOs	138,282	4/10/19	0.113	15,626	Nil	1/7/21	30/6/23	138,282	-
S Balloch-ZEPOs	138,282	4/10/19	0.094	12,998	Nil	1/7/21	30/6/23	-	138,282
S Balloch-ZEPOs	137,524	16/11/20	0.046	6,326	Nil	1/7/21	30/6/23	-	137,524
S Balloch-ZEPOs	137,524	16/11/20	0.043	5,914	Nil	1/7/21	30/6/23	-	137,524
S Balloch-ZEPOs	137,524	16/11/20	0.078	10,727	Nil	1/7/22	30/6/24	-	-
S Balloch-ZEPOs	137,524	16/11/20	0.080	11,002	Nil	1/7/22	30/6/24	-	-
S Balloch-ZEPOs	393,273	1/11/21	0.160	62,924	Nil	1/7/24	30/6/26	-	-
S Balloch-ZEPOs	393,273	1/11/21	0.152	59,777	Nil	1/7/24	30/6/26	-	-
P Cmrlec-PEPOs	1,500,000	1/7/19	0.0541	81,106	0.240	4/7/20	4/7/22	-	-
P Cmrlec-PEPOs	1,500,000	1/7/19	0.0516	77,411	0.250	4/7/21	4/7/22	1,500,000	-
P Cmrlec-ZEPOs	294,695	16/10/20	0.055	16,208	Nil	1/7/21	30/6/23	-	294,695
P Cmrlec-ZEPOs	294,695	16/10/20	0.042	12,377	Nil	1/7/21	30/6/23	-	294,695
P Cmrlec-ZEPOs	294,695	16/10/20	0.085	25,049	Nil	1/7/22	30/6/24	-	-
P Cmrlec-ZEPOs	294,695	16/10/20	0.078	22,986	Nil	1/7/22	30/6/24	-	-
P Cmrlec-ZEPOs	1,228,219	19/10/21	0.298	366,009	Nil	1/7/24	30/6/26	-	-
P Cmrlec-ZEPOs	1,228,219	19/10/21	0.286	351,271	Nil	1/7/24	30/6/26	-	-
P Cmrlec-Rights	28,763	12/11/21	0.230	6,615	Nil	1/1/22	19/11/26	28,763	-
P Cmrlec-Rights	28,763	12/11/21	0.230	6,615	Nil	1/2/22	19/11/26	28,763	-
K Edwards-PEPOs	500,000	1/7/19	0.0541	27,035	0.240	4/7/20	4/7/22	-	-
K Edwards-PEPOs	500,000	1/7/19	0.0516	25,804	0.250	4/7/21	4/7/22	500,000	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/1/22	19/11/26	23,134	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/2/22	19/11/26	23,134	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/3/22	19/11/26	23,134	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/4/22	19/11/26	23,134	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/5/22	19/11/26	23,134	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/6/22	19/11/26	23,134	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/7/22	19/11/26	-	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/8/22	19/11/26	-	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/9/22	19/11/26	-	-

2022	Granted Number	Grant Date	Fair value per Option/ Right at Grant Date \$	Fair value of options granted \$	Exercise Price \$	Vesting Date	Expiry Date	Options/ rights vesting during the year	Options/ rights lapsed during the year
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/10/22	19/11/26	-	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/11/22	19/11/26	-	-
K Edwards-Rights	23,134	12/11/21	0.230	5,321	Nil	1/12/22	19/11/26	-	-
S Huffadine-PEPOs	1,500,000	1/7/19	0.0541	81,106	0.240	4/7/20	4/7/22	-	-
S Huffadine-PEPOs	1,500,000	1/7/19	0.0516	77,411	0.250	4/7/21	4/7/22	1,500,000	-
S Huffadine-ZEPOs	221,021	16/10/20	0.055	12,156	Nil	1/7/21	30/6/23	-	221,021
S Huffadine-ZEPOs	221,021	16/10/20	0.042	9,283	Nil	1/7/21	30/6/23	-	221,021
S Huffadine-ZEPOs	221,021	16/10/20	0.085	18,787	Nil	1/7/22	30/6/24	-	-
S Huffadine-ZEPOs	221,021	16/10/20	0.078	17,240	Nil	1/7/22	30/6/24	-	-
S Huffadine-ZEPOs	726,041	19/10/21	0.298	216,360	Nil	1/7/24	30/6/26	-	-
S Huffadine-ZEPOs	726,041	19/10/21	0.286	207,648	Nil	1/7/24	30/6/26	-	-
D Okeby-ZEPOs	117,187	4/10/19	0.113	13,242	Nil	1/7/21	30/6/23	117,187	-
D Okeby-ZEPOs	117,188	4/10/19	0.094	11,016	Nil	1/7/21	30/6/23	-	117,188
D Okeby-ZEPOs	122,790	16/11/20	0.046	5,648	Nil	1/7/21	30/6/23	-	122,790
D Okeby-ZEPOs	122,790	16/11/20	0.043	5,280	Nil	1/7/21	30/6/23	-	122,790
D Okeby-ZEPOs	122,790	16/11/20	0.078	9,578	Nil	1/7/22	30/6/24	-	-
D Okeby-ZEPOs	122,790	16/11/20	0.080	9,823	Nil	1/7/22	30/6/24	-	-
D Okeby-ZEPOs	356,970	1/11/21	0.160	57,115	Nil	1/7/24	30/6/26	-	-
D Okeby-ZEPOs	356,970	1/11/21	0.152	54,259	Nil	1/7/24	30/6/26	-	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/1/22	19/11/26	7,118	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/2/22	19/11/26	7,118	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/3/22	19/11/26	7,118	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/4/22	19/11/26	7,118	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/5/22	19/11/26	7,118	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/6/22	19/11/26	7,118	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/7/22	19/11/26	-	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/8/22	19/11/26	-	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/9/22	19/11/26	-	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/10/22	19/11/26	-	-
F Van Maanen-Rights	7,118	12/11/21	0.230	1,637	Nil	1/11/22	19/11/26	-	-
F Van Maanen-Rights	7,120	12/11/21	0.230	1,638	Nil	1/12/22	19/11/26	-	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/1/22	19/11/26	7,285	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/2/22	19/11/26	7,285	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/3/22	19/11/26	7,285	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/4/22	19/11/26	7,285	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/5/22	19/11/26	7,285	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/6/22	19/11/26	7,285	-

REMUNERATION REPORT (CONTINUED)

8. ADDITIONAL STATUTORY DISCLOSURES (Continued)

Table 5: Compensation options/rights – Granted and vested during the year (Continued)

2022	Granted Number	Grant Date	Fair value per Option/Right at Grant Date \$	Fair value of options granted \$	Exercise Price \$	Vesting Date	Expiry Date	Options/rights vesting during the year	Options/rights lapsed during the year
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/7/22	19/11/26	-	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/8/22	19/11/26	-	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/9/22	19/11/26	-	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/10/22	19/11/26	-	-
W Zekulich-Rights	7,285	12/11/21	0.230	1,676	Nil	1/11/22	19/11/26	-	-
W Zekulich-Rights	7,287	12/11/21	0.230	1,676	Nil	1/12/22	19/11/26	-	-

For details on the valuation of the options, including models and assumptions used, please refer to note 27 to the financial statements.

The value of the share based payments granted during the year is recognised in compensation over the vesting period of the grant. The total unvested option value yet to be expensed as at 30 June 2022 is \$1,288,567.

Table 6: Option and performance right holdings of key management personnel

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 2022	Balance at beginning of year or on appointment	Granted during the year as compensation	Salary sacrifice share rights subscribed to during the year	Expired during the year	Exercised during the year	Balance at end of year	Vested and exercisable at the end of the year
Directors							
P Cmrlec	4,178,780	2,456,438	57,526	589,390	-	6,103,354	3,057,526
K Edwards	1,000,000	-	277,608	-	138,804	1,138,804	1,138,804
S Huffadine	3,884,084	1,452,082	-	442,042	-	4,894,124	3,000,000
F Van Maanen	-	-	85,418	-	-	85,418	42,708
W Zekulich	-	-	87,422	-	36,425	50,997	43,710
Key management personnel							
S Balloch	1,326,659	786,546	-	413,330	138,282	1,561,594	500,000
D Okeby	1,225,535	713,940	-	362,768	617,187	959,520	-
Total	11,615,058	5,409,006	507,974	1,807,530	930,698	14,793,811	7,782,748

Table 7: Shareholdings of key management personnel

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. 930,698 shares were issued on the vesting and exercise of remuneration options (2021: 440,684).

30 June 2022	Balance at start of year	Acquired during the year	Disposed during the year	Exercise of options/rights	Other changes during the year	Balance at the end of the year
Directors						
Paul Cmrllec	7,966,955	-	-	-	-	7,966,955
Kyle Edwards	108,593	422,392	-	138,804	-	669,789
Scott Huffadine	2,934,944	-	-	-	-	2,934,944
Fiona Van Maanen	100,389	-	-	-	-	100,389
Wayne Zekulich	384,949	-	-	36,425	-	421,374
Key management personnel						
Scott Balloch	762,986	-	-	138,282	-	901,268
David Okeby	1,002,925	-	-	617,187	-	1,620,112
Total	13,261,741	422,392	-	930,698	-	14,614,831

Loans to key management personnel and their related parties

There were no loans to key management personnel during the years ended 30 June 2022 and 30 June 2021.

Other transactions to key management personnel and their related parties

There are no other transactions with key management personnel during the years ended 30 June 2022 and 30 June 2021.

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) were as follows:

	Directors		Audit and Risk Committee		Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
P Cmrlec	13	13	-	-	-	-
K Edwards	13	13	2	2	3	3
S Huffadine	13	13	-	-	-	-
F Van Maanen	13	13	2	2	3	3
W Zekulich	13	13	2	2	3	3

COMMITTEE MEMBERSHIP

Audit and Risk Committee	Remuneration Committee
F Van Maanen *	K Edwards *
K Edwards	F Van Maanen
W Zekulich	W Zekulich

* Designates the Chairperson of the Committee

INDEMNIFYING AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year and to the extent permitted by law, 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.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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 available on the Company's website.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor Ernst & Young. 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.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services (refer to note 9):

Tax compliance services	\$23,500
Employment taxes advice	\$6,180

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2022 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 27 September 2022

AUDITOR'S INDEPENDENCE DECLARATION



EY

Building a better
working world

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Auditor's independence declaration to the directors of Pantoro Limited

As lead auditor for the audit of the financial report of Pantoro Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pantoro Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Philip Teale
Partner
27 September 2022

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 Jun 22 \$	30 Jun 21 \$
Revenue	6	73,520,853	87,790,363
Cost of sales	7(a)	(74,238,119)	(69,879,462)
Gross (loss)/profit		(717,266)	17,910,901
Other income	6	202,842	291,619
Administration and other expenses	7(b)	(4,520,390)	(3,967,456)
Finance costs	7(c)	(3,282,640)	(1,265,094)
Care and maintenance costs	7(d)	(797,256)	(818,825)
Exploration and evaluation expenditure written off		(46,182)	(147,219)
Share of loss of an associate	19	(1,581,374)	-
(Loss)/profit before income tax		(10,742,266)	12,003,926
Income tax expense	8	-	-
(Loss)/profit after income tax		(10,742,266)	12,003,926
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		-	-
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive (loss)/profit for the year, net of tax		(10,742,266)	12,003,926
Earnings per share attributable to the ordinary equity holders of the parent (cents per share)			
Basic (loss)/profit per share (cents per share)		(0.74)	0.87
Diluted (loss)/profit per share (cents per share)		(0.74)	0.87

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	30 Jun 22 \$	30 Jun 21 \$
CURRENT ASSETS			
Cash and cash equivalents	11	52,040,884	47,382,063
Trade and other receivables	12	2,230,926	1,292,052
Finance lease receivables	13	1,084,321	-
Inventories	14	6,009,767	4,699,940
Prepayments	15	1,340,868	865,590
Total current assets		62,706,766	54,239,645
NON-CURRENT ASSETS			
Finance lease receivables	13	6,100,521	-
Property, plant and equipment	16	74,808,197	42,660,297
Exploration and evaluation expenditure	17	96,872,418	84,889,989
Mine properties and development costs	18	51,426,983	39,588,657
Investment in an associate	19	2,719,964	-
Total non-current assets		231,928,083	167,138,943
TOTAL ASSETS		294,634,849	221,378,588
CURRENT LIABILITIES			
Trade and other payables	20	23,056,367	13,719,206
Provisions	21	2,210,231	1,587,912
Interest-bearing loans and borrowings	3, 22	18,639,979	6,262,822
Deferred consideration	24	-	10,000,000
Total current liabilities		43,906,577	31,569,940
NON-CURRENT LIABILITIES			
Provisions	21	19,973,501	20,516,732
Interest-bearing loans and borrowings	3, 22	37,858,436	13,560,147
Total non-current liabilities		57,831,937	34,076,879
TOTAL LIABILITIES		101,738,514	65,646,819
NET ASSETS		192,896,335	155,731,769
EQUITY			
Issued capital	25	344,731,334	299,808,987
Reserves	26	11,918,210	8,933,725
Accumulated losses		(163,753,209)	(153,010,943)
TOTAL EQUITY		192,896,335	155,731,769

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 Jun 22 \$	30 Jun 21 \$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Receipts from customers		73,520,853	87,790,363
Payments to suppliers and employees		(50,876,614)	(53,438,919)
Payments for rehabilitation		(34,111)	(394,181)
Interest and borrowing costs paid		(2,987,025)	(633,662)
Interest received		85,833	139,449
Other income		98,598	152,170
Proceeds from security deposits		(69,940)	3,300
Net cash flows from operating activities	11	19,737,594	33,618,520
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment		(34,198,813)	(11,688,487)
Payments for exploration and evaluation		(15,386,124)	(22,100,017)
Payments for mine properties and development		(19,359,037)	(15,442,239)
Proceeds from sale of property, plant and equipment		71,993	580,636
Receipts from finance leases		96,824	-
Acquisition of investment in an associate		(4,301,338)	-
Payments for acquisition of interest in Norseman		(550,075)	(2,805,815)
Net cash flows used in investing activities		(73,626,570)	(51,455,922)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	25	45,000,000	55,500,000
Proceeds from exercise of options	25, 27	1,852,500	100,000
Transaction costs on issue of shares		(1,930,153)	(2,194,897)
Proceeds from borrowings		30,000,000	-
Payment of principal portion of insurance premium funding	22	(545,776)	(649,056)
Payment of principal portion of lease liabilities	23	(5,828,774)	(5,028,963)
Payment for deferred consideration		(10,000,000)	(5,000,000)
Net cash flows from financing activities		58,547,797	42,727,084
Net (decrease)/increase in cash and cash equivalents held		4,658,821	24,889,682
Net foreign exchange differences		-	(258)
Cash and cash equivalents at the beginning of the financial year		47,382,063	22,492,639
Cash and cash equivalents at the end of the financial year	11	52,040,884	47,382,063

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital	Options reserve	Share based payment reserve	Accumulated losses	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$	\$
At 1 July 2020	246,503,884	4,513,958	3,954,966	(165,014,869)	(442,211)	89,515,728
Profit for the year	-	-	-	12,003,926	-	12,003,926
Other comprehensive loss, net of tax	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	12,003,926	-	12,003,926
Shares issued during the year	55,500,000	-	-	-	-	55,500,000
Option subscription	-	100,000	-	-	-	100,000
Share issue costs	(2,194,897)	-	-	-	-	(2,194,897)
Share-based payments	-	-	364,801	-	-	364,801
Elimination of foreign currency translation reserve	-	-	-	-	442,211	442,211
At 30 June 2021	299,808,987	4,613,958	4,319,767	(153,010,943)	-	155,731,769

	Issued capital	Options reserve	Share-based payments reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 1 July 2021	299,808,987	4,613,958	4,319,767	(153,010,943)	155,731,769
Profit for the year	-	-	-	(10,742,266)	(10,742,266)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(10,742,266)	(10,742,266)
Shares issued during the year	45,000,000	-	-	-	45,000,000
Exercise of options	1,852,500	-	-	-	1,852,500
Share issue costs	(1,930,153)	-	-	-	(1,930,153)
Share-based payments	-	-	2,984,485	-	2,984,485
At 30 June 2022	344,731,334	4,613,958	7,304,252	(163,753,209)	192,896,335



Drill Core from Mainfield, Norseman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

Pantoro Limited (Pantoro or the Company) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of Pantoro and its controlled entities (the Group) are described in the Directors' Report.

The address of the registered office is Level 2, 46 Ventnor Avenue, West Perth WA 6005.

The financial report of Pantoro Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 27 September 2022.

2. BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The functional currency of the Group's Papua New Guinea subsidiary is the PNG Kina, the functional currency of all other entities within the Group is Australian dollar.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB) and also International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Tax consolidation

Pantoro Limited and its wholly-owned Australian subsidiaries have formed a tax consolidated group under tax consolidation legislation. The head entity, Pantoro Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. Entities in the tax consolidated group have entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the head entity 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. Members of the tax consolidated group have entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between members of the tax consolidated group should the parent, Pantoro Limited, default on its tax payments obligations.

3. NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all Accounting Standards and Interpretations effective from 1 July 2021. The accounting policies adopted are consistent with those of the previous financial year except as disclosed below.

The new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2021 did not have an impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

New and amended standards and interpretations issued but not yet effective

The Group has not adopted any other accounting standard, interpretation or amendment that has been issued but is not yet effective. There is no material impact of any new and amended accounting standards issued but not yet effective.

Accounting policies adopted during the year as a result of new transactions and events

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "Share of profit of an associate" in the statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Leases – Group as lessor

The Group enters into lease agreements as a lessor with respect to mining equipment, accommodation village and power station in its capacity as manager of the Norseman Gold Project joint venture.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant judgements

Production start date

The Group assesses the stage of each mine and processing plant under development/construction to determine when a mine or processing plant moves into the production phase, this being when the mine or processing plant is substantially completed and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine or processing plant development/construction project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from “capital work in progress” or “exploration and evaluation assets” to “property, plant and equipment” and/or “mine properties and capital development”. Some of the criteria used to identify the production start date include, but are not limited to:

- level of capital expenditure incurred compared with the original construction cost estimate;
- majority of the assets making up the mine or processing plant are substantially complete and ready for use;
- completion of a reasonable period of commissioning/testing of the processing plant;
- a specified percentage of design capacity for the processing plant has been achieved over a continuous period;
- the percentage grade (metal content) of ore being mined is sufficiently economic and consistent with overall mine plan; and
- ability to sustain ongoing production of metal or ore.

The Group has determined that the Green Lantern mine was ready for production in June 2022 however the construction activities for the processing plant have continued in accordance with the project schedule.

Stripping activity assets

Judgment is required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each orebody component. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g. in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Significant judgment is required in determining the waste capitalisation ratio for each component of the mine. Factors that are considered include:

- any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- identifiable components of orebody;
- future production levels;
- impacts of regulatory obligations and taxation legislation; and
- future cash cost of production.

The Group uses the expected volume of waste extracted compared with the actual volumes for a given volume of ore production of each component.

Determining whether a contract contains a lease

The Group determines whether a contract is, or contains, a lease at the commencement date. Judgement is applied to determine whether or not the contract contains an identified asset, has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and has the right to direct how and for what purpose the asset is used throughout the period of use. Judgement is also applied in assessing a supplier's right and practical ability to substitute alternative assets through the period of use.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of one to two years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e. two to three years) and there will be a significant negative effect on production if a replacement is not readily available.

Classification as a joint arrangement

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

Judgement is required to determine if the Group has joint control over the Norseman Gold Project, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements relate to the operating and capital decisions of the arrangement, such as the approval of the proposed programmes and budget for each year, the approval of mine and other management plans and disposal of joint arrangement property. The Group has determined that it has joint control over the Norseman Gold Project.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant judgements (Continued)

Accounting for contingent consideration payable

Contingent consideration payable in connection with the purchase of assets outside of a business combination is recognized as a financial liability only when the consideration is contingent upon future events that are beyond the Group's control. In cases where the crystallisation of contingent payments is dependent on the future actions of the Group, the liability is recognised as it accrues at the date a non-contingent obligation arises. Contingent consideration linked to the purchase of individual assets primarily relates to future royalty and milestone payments in connection with the acquisition of the Norseman Gold Project.

The Group has determined that these obligations do not meet the definition of a financial liability and accordingly have accounted for the royalty and milestone payments as a contingent liability under AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates and provisions for mine rehabilitation. The Group estimates its mineral resource and ore reserves in accordance with the Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the JORC code). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately, result in the reserves being updated.

Impairment of capitalised mine development expenditure and property, plant and equipment

The Group assesses each asset or cash generating unit (CGU) at the end of each reporting period to determine whether an indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of value in use (VIU) (being net present value of expected future cashflows of the relevant CGU and fair value less cost to dispose (FVLCD)).

In determining FVLCD, future cash flows for each CGU (i.e. each mine site) are prepared basis utilising managements latest estimates of:

- the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices;
- future cash cost of production;
- impacts of changes in regulatory obligations;
- royalties and taxation; and
- other relevant cash inflows and outflows.

Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows is determined utilising a post-tax discount rate. This discount rate is derived from the Group's post-tax weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU and a market participant's debt to equity ratio.

The Group's cash flows are most sensitive to movements in commodity price, expected quantities of ore reserves and mineral resources and key operating costs.

To the extent capitalised mine development expenditure and property, plant and equipment is determined not to be recoverable in the future, this will reduce profit in the period in which this determination is made.

Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which in turn could impact future financial results. During the year, an impairment indicator was identified for the Halls Creek CGU. As a result, an impairment test was performed using FVLCD being a discounted cash flow model which is level 3 within the fair value hierarchy. The inputs into the FVLCD model are described above. No impairment was recognised as the recoverable amount was in excess of the carrying value and no reasonably possible change in the key assumptions would result in an impairment.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area interest 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.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Unit of production method of amortisation and depreciation

The Group applies the unit of production 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 Group'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.

Mine rehabilitation provision

The Group assesses its mine rehabilitation provisions on an annual basis in accordance with the accounting policy stated in note 5(r). In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs (largely dependent on the life of mine) and the estimated level of inflation. 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, estimates are made on the extent of rehabilitation that the Group is responsible for at each reporting date.

The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required, utilising the following key inputs:

Key Input	Halls Creek	Norseman
Discount rate	3.12%	3.44%
Inflation rate	3.00%	2.60%
Expected timing of rehabilitation activities	4 years	6 years

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant judgements (Continued)

Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in its leases, it uses the relevant incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Taxation

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

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. 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. As at 30 June 2022, no net deferred tax assets have been recognised by the Group due to the uncertainty of available future taxable profits.

5. SIGNIFICANT ACCOUNTING POLICIES

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.

(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 2022 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.

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.

(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. 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 financial assets, 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.

(c) Foreign currency transactions and balances

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group 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 the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are 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.

(iii) Group companies

The results and financial position of all entities in the Group (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 item of profit or loss are 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 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.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Joint operations

A joint operation ("JO") is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. In relation to its interests in JOs, the financial statements of the Group include:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the Group's interest in each asset and liability, income and expense of the JO.

(e) Cash and cash equivalents

For the Consolidated Statement of Cash Flows 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.

(f) Trade and other receivables

Receivables are classified, at initial recognition, and subsequently measured at amortised cost or fair value through profit or loss. The classification of receivables at initial recognition depends on the receivable's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables the Group initially measures a receivable at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are initially measured at the transaction price determined in accordance with the accounting policy for revenue.

(i) Receivables at amortised cost

The Group classifies receivables as financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment.

(ii) Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies the simplified approach in calculating ECLs, as permitted by AASB 9. For other receivables that are due in less than 12 months, the 12-month ECL equals to lifetime ECL. Therefore, the Group does not track changes in credit risk for short term receivables, but instead,

recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL when there has not been a significant increase in credit risk since origination. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(g) 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.

(h) 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. Major depreciation periods are:

- Mine Specific plant and equipment is depreciated using the shorter of life of mine and useful life. Useful life ranges between 1 and 10 years.
- Buildings are depreciated using shorter of life of mine and useful life. Useful life ranges between 3 and 10 years.
- Office plant and equipment is depreciated over useful lives ranging between 1 and 10 years.

The useful lives of assets 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.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Mineral exploration and evaluation expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and;

- (i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;
- (ii) exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

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. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

Capitalised Mineral exploration and evaluation expenditure is transferred into mine properties and development cost upon technical feasibility and commercial viability of extracting the mineral resource becomes demonstrable and a decision has been made to develop and extract the resource.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment regularly and if after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period when the new information becomes available.

Mineral exploration and evaluation expenditure are also assessed for impairment prior to the reclassification as mine properties and development costs

(j) 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. Refer to note 5(l) for further discussion on impairment testing performed by the Group.

(k) Deferred stripping

As part of its mining operations, the Group incurs mining stripping (waste removal) costs both during the development and production phase of its operations.

When stripping costs are incurred in the development phase of a mine before the production phase commences (development stripping), such expenditure is capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a units of production method, in accordance with the policy applicable to mine properties. The capitalisation of development stripping costs ceases when the mine or relevant component thereof is commissioned and ready for use as intended by management.

Waste development costs incurred in the production phase creates two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and the benefit is improved access to ore to be mined in the future, the costs are recognised as a stripping activity asset within mine properties.

If the costs of the inventory produced and the stripping asset are not separately identifiable, the allocation is undertaken based on the waste-to-ore stripping ratio for the particular ore component concerned. If mining of waste in a period occurs in excess of the expected life-of-component waste-to-ore strip ratio, the excess is recognised as part of the stripping asset. Where mining occurs at or below the expected life-of-component stripping ratio in a period, the entire production stripping cost is allocated to the cost of the ore inventory produced.

Amortisation is provided on the units-of-production method over the life of the identified orebody component. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

(l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal (FVLCD) and its value in use (VIU). 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.

In assessing VIU, the estimated future cash flows are discounted to their present value. The discount rate is derived from the Group's post-tax weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU and the market participant debt equity structure. In determining FVLCD, an appropriate valuation model such as a discounted cash flow analysis is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated, based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure based on life-of-mine plans.

Value in use does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in fair value less costs of disposal calculations. Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit and loss. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

(m) Reversal of impairment of non-financial assets

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(n) Trade and other payables

Trade payables, accruals and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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 Consolidated 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 Consolidated Statement of Financial Position.

Cash flows are presented in the Consolidated 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.

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value 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 Group has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.9

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

(i) Right of use assets

The Group has elected to present right-of-use assets as part of property, plant and equipment in the statement of financial position.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (ranging from three years to five years). Right-of-use assets are subject to impairment and assessed in accordance with the Group's impairment policies.

(ii) Lease liabilities

The Group has elected to present lease liabilities as part of interest bearing loans and borrowings in the statement of financial position.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group

exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group also applied the available practical expedients wherein it:

The Group also applied the available practical expedients wherein it:

- Separated the lease and non-lease components for all classes of assets;
- Applied the short term lease exemption to leases with lease terms that end within 12 months or less and do not contain a purchase option; and
- Applied the exemption to lease contracts for which the underlying asset is of low value.

(iii) *Short-term leases and lease of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability, to the extent that these risks have not been included within the estimate of expenditure required to settle the present obligation at the reporting date. The increase in the provision resulting from the passage of time is recognised in finance costs.

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.

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.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) 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.

(t) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group primarily generates revenue from the sale of gold and silver bullion. Bullion is sold either under a spot sale contract with the refiner or through forward sale agreements with banks. The only performance obligation under the contract is for the sale of gold or silver bullion. Revenue from bullion sales is recognised at a point in time when control passes to the buyer. This generally occurs after the unrefined doré is outturned and the Group either instructs the refiner to purchase the outturned fine metal or advises the refiner to transfer the gold to the bank by crediting the metal account of the bank. As all performance obligations are satisfied at that time, there are no remaining performance obligations under the contract. The transaction price is determined at transaction date and there are no further adjustments to this price. Forward sale agreements are accounted for as executory sale contracts for which revenue is recognised in the period in which the performance obligation is satisfied under the normal sale and purchase exemption.

Transaction prices for the sale of gold and silver bullion are determined on deal confirmation for spot sales and price within the forward contracts, with no further adjustments to the price.

(u) Interest revenue

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

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(w) Employee benefits

(i) Superannuation

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, sick leave and other short-term benefits 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) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(x) Share-based payment transactions

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Group has one plan in place that provides these benefits. It is the Incentive Option and Performance Rights Scheme which provides benefits to all employees including Directors.

In valuing equity-settled transactions, no account is taken of any vesting conditions (such as service conditions), other than conditions linked to the price of the shares of Pantoro Limited (market conditions) if applicable. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black & Scholes or Monte Carlo model as appropriate. Further details of which are given in note 27.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

(y) 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 full 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. 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.

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.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) 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.

(z) 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.

(i) 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.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	2022 \$	2021 \$
Revenue from contracts with customers		
Sale of gold at spot	73,148,476	87,356,504
Sale of silver	372,377	433,859
Total revenue from contracts with customers	73,520,853	87,790,363
Other income		
Interest revenue calculated using the effective interest rate method	85,833	139,449
Finance income on the net investment in finance leases	18,411	-
Other income	98,598	152,170
Total other income	202,842	291,619

7. EXPENSES

	2022 \$	2021 \$
(a) Cost of Sales		
Salaries, wages expense and other employee benefits	(15,377,702)	(15,640,178)
Superannuation	(1,250,240)	(1,277,347)
Short term lease expenses	(103,785)	(242,250)
Other production costs net of inventory movements	(30,142,650)	(29,847,283)
Royalties	(1,678,760)	(2,023,990)
Reversal/(write down) in value of inventories to estimated net realisable value	8,655	(707,376)
Depreciation and amortisation expense		
Plant and equipment	(3,215,901)	(3,099,018)
Buildings	(111,605)	(121,498)
Mine properties and development costs	(16,587,923)	(11,794,221)
Right of use assets	(5,778,208)	(5,126,301)
Total cost of sales	(74,238,119)	(69,879,462)
(b) Other Expenses		
Administration Expenses		
Salaries, wages expense and other employee benefits	(1,240,062)	(1,212,528)
Superannuation	(101,054)	(99,259)
Directors' fees and other benefits	(294,959)	(276,065)
Share-based payments	(653,576)	(364,801)
Consulting expenses	(990,359)	(376,066)
Travel and accommodation expenses	(26,091)	(35,682)
Administration costs	(776,706)	(655,745)
Depreciation expense		
Depreciation of non-current assets		
Property, plant and equipment	(36,275)	(20,376)
Right of use assets	(88,897)	(62,326)
Total administration expenses	(4,207,979)	(3,102,848)
Other expenses		
Elimination of foreign currency translation reserve	-	(442,938)
Net (loss)/profit on disposal of property, plant and equipment	(252,285)	(78,633)
Non-production rehabilitation	(61,905)	(343,037)
Gain on right-of-use lease terminations	1,779	-
	(312,411)	(864,608)
Total other expenses	(4,520,390)	(3,967,456)

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

7. EXPENSES (CONTINUED)		2022	2021
(c) Finance costs			
Interest and borrowing costs		(2,528,693)	(19,733)
Interest on lease liabilities		(558,082)	(613,929)
Unwinding of rehabilitation provision discount		(195,865)	(233,283)
Unwinding of deferred consideration discount		-	(398,149)
Total finance costs		(3,282,640)	(1,265,094)
(d) Care and maintenance costs			
Depreciation of non-current assets:			
Property, plant and equipment		(598,156)	(590,072)
Buildings		(199,100)	(228,753)
Total care and maintenance costs		(797,256)	(818,825)
8. INCOME TAX			
(a) Major components of income tax expense:		2022	2021
Income Statement			
Current income tax		-	-
Adjustments in respect of current income tax of previous years		-	-
Tax losses recognised to offset net DTL		-	-
Income tax expense/(benefit) reported in the statement of profit and loss and other comprehensive income		-	-
(b) A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:			
Accounting profit before tax from continuing operations		(10,742,266)	12,003,926
Total accounting profit before income tax		(10,742,266)	12,003,926
At statutory income tax rate of 30% (2021: 30%)		(3,222,680)	3,601,178
<i>Non-deductible items</i>			
Share based payments		196,073	109,440
Other non-deductible items		779,505	1,249,609
Deductible items		(597,496)	(338,131)
Under/over in respect of prior years		-	-
Deferred tax assets (recognised)/not recognised in the current year		2,844,598	(4,622,096)
Income tax benefit reported in the statement of comprehensive income		-	-

(c) **Deferred income tax at 30 June relates to the following:**

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	2022	2021	2022	2021
Deferred tax liabilities				
Exploration	(16,523,197)	(13,168,794)	3,354,403	6,220,509
Deferred mining	(9,499,065)	(6,265,539)	3,233,526	2,562,250
Mine properties & development	(1,352,890)	(921,936)	430,954	809,777
Rehabilitation asset	(285,367)	(450,920)	(165,553)	(52,673)
Consumables	(770,631)	(562,064)	208,567	15,644
Prepayments	(200,974)	(106,677)	94,297	4,262
Diesel rebate	(61,824)	(80,854)	(19,030)	(5,768)
Finance lease receivables	(2,155,453)	-	2,155,453	-
Property, plant and equipment	(6,708,744)	(5,386,101)	1,322,643	2,874,210
Gross deferred tax liabilities	(37,558,145)	(26,942,885)		
Deferred tax assets				
Property, plant and equipment	-	-	-	-
Financial assets	498,428	24,015	(474,413)	-
Accrued expenses	28,217	12,861	(15,356)	10,773
Provision for employee entitlements	849,160	752,346	(96,814)	(92,728)
Provision for fringe benefits tax	1,044	1,279	235	(111)
Right-of-use lease amortisation	8,498,042	5,834,942	(2,663,100)	(1,668,687)
Provision for rehabilitation	1,360,365	1,544,290	183,925	(12,737)
Recognised tax losses	26,322,889	18,773,152	(7,549,737)	(10,664,721)
Gross deferred tax assets	37,558,145	26,942,885		
Net deferred tax liabilities	-	-		
Deferred tax income/ (expense)			-	-

(d) **Tax Consolidation and the tax sharing arrangement**

The Company and its 100% owned Australian subsidiaries are a tax consolidated group with effect from 1 July 2014. Pantoro Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payments obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(e) **Tax effect accounting by members of the tax consolidated group**

Members of the tax consolidated group have entered into a tax funding agreement. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 'Income Taxes'.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Pantoro Limited. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

(f) **Unrecognised deferred tax assets**

At 30 June 2022, there are unrecognised deferred tax assets (on Australian tax losses) of \$9,384,537 for the Group (2021: \$8,942,371) and unrecognised deferred tax assets (on temporary differences relating to blackhole expenditure) of \$1,038,472 (2021: \$536,600).

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

9. AUDITORS' REMUNERATION

	2022 \$	2021 \$
<i>Fees to Ernst & Young (Australia)</i>		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	163,239	122,368
Fees for other services - Tax compliance	23,500	17,500
Fees for other services - Employment taxes advice	6,180	-
Fees for other services - Indirect tax review	-	22,500
Total auditor's remuneration	192,919	162,368
<i>Fees to Sinton Spence Chartered Accountants (PNG)</i>		
Fees for auditing the statutory financial report of controlled entity Pacific Niugini Minerals (PNG) Ltd	-	3,147
Fees for other services - Tax compliance	-	3,722
Total auditor's remuneration	-	6,869

10. EARNINGS PER SHARE

	2022 \$	2021 \$
Net (loss)/profit attributable to ordinary equity holders	(10,742,266)	12,003,926
Net (loss)/profit attributable to ordinary shareholders for diluted earnings per share	(10,742,266)	12,003,926
Basic (loss)/profit per share (cents)	(0.74)	0.87
Diluted (loss)/profit per share (cents)	(0.74)	0.87
Weighted average number of ordinary shares for basic earnings per share	1,454,594,261	1,376,929,682
Effect of dilution:		
Share options	-	8,643,511
Weighted average number of ordinary shares adjusted for the effect of dilution	1,454,594,261	1,385,573,193

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

At 30 June 2022, 55,176,449 (2021: 7,000,000) outstanding share options were not considered in the current year diluted earnings per share calculation as they were either contingently issuable or anti-dilutive.

11. CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash at bank	52,040,884	47,382,063
Total	52,040,884	47,382,063
- Refer to note 33 for credit risk disclosures. Included within Cash at bank is \$14,913,287 relating to cash which is restricted for use within the Norseman Gold Project.		
Reconciliation of the net (loss)/profit after tax to net cash flows from operations		
(Loss)/profit after tax	(10,742,266)	12,003,926
Adjustments for:		
Depreciation and amortisation	26,616,065	21,042,565
Share-based payments	653,576	364,801
Unrealised foreign exchange difference	1	(593)
Exploration and evaluation expenditure written off	46,182	147,219
Loss on disposal of property, plant and equipment	252,285	78,633
Gain on right-of-use lease terminations	(1,779)	-
Unwinding rehabilitation provision	195,865	233,283
Unwinding deferred consideration discount	-	398,149
Deemed interest on borrowings	999,750	-
Elimination of foreign currency translation reserve	-	442,938
Share of loss of an associate	1,581,374	-
Finance income	(18,411)	-
Working capital adjustments:		
(Increase)/decrease in receivables	(638,772)	265,968
(Increase)/decrease in inventories	(1,233,345)	(1,103,986)
Increase/(decrease) in trade and other payables	1,667,383	(176,228)
Increase/(decrease) in provisions	359,686	(78,155)
Net cash from operating activities	19,737,594	33,618,520

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

12. TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Statutory receivables (i)	1,379,558	883,195
Other debtors (ii)	729,328	356,757
Security bonds (iii)	122,040	52,100
	2,230,926	1,292,052

- (i) - Statutory receivables consist of GST input tax credits and diesel fuel tax credits.
- (ii) - Other debtors are non-interest bearing.
- The carrying amounts disclosed approximate fair value.
- There are no past due nor impaired receivables at 30 June 2022. The Group has assessed the probability of default as low and the ECL insignificant.
- (iii) - Cash deposits used for office lease bond and miscellaneous security deposits.
- (iv) - All trade and other receivables are classed as recoverable in full. Refer to note 33 for credit risk disclosures.

13. FINANCE LEASE RECEIVABLES

	2022 \$	2021 \$
Amounts receivable under finance leases:		
Year 1	1,448,992	-
Year 2	1,448,992	-
Year 3	1,448,992	-
Year 4	1,342,089	-
Year 5	976,254	-
Onwards	1,818,775	-
Undiscounted lease payments	8,484,094	-
Less: unearned finance income	(1,299,252)	-
Present value of lease payments receivables	7,184,842	-
Impairment loss allowance	-	-
Net investment in finance leases	7,184,842	-
Undiscounted lease payment analysed as:		
Recoverable within 12 months	1,448,992	-
Recoverable after 12 months	7,035,102	-
Net investment in the lease analysed as:		
Recoverable within 12 months	1,084,321	-
Recoverable after 12 months	6,100,521	-

During the year, finance lease receivables were recognised due to the Group acting as the lessor on contracts associated with the Norseman Gold Project for mining equipment and accommodation village. Pantoro is the manager and has recognised finance type sub-leases to the non-managing party. The finance leases entered into have terms ranging from 3 to 7 years. Collateral for the sub-lease are the ROU assets of the non-managing participant with a total book value of \$7,177,649.

The following table presents the amounts included in profit or loss:

	2022	2021
	\$	\$
Finance income on the net investment in finance leases	18,411	-

The Group's finance lease arrangements are subject to variable lease payments which are largely dependent on the level of occupancy of the accommodation village. These are charged to the non-managing party lessee as incurred by the Group.

14. INVENTORIES

	2022	2021
	\$	\$
Ore stocks at net realisable value	1,826,030	1,155,963
Gold in circuit at cost	1,614,966	1,568,588
Gold in transit at cost	-	101,841
Stores and spares at cost	2,668,955	1,959,478
Provision for obsolete stores and spares	(100,184)	(85,930)
	6,009,767	4,699,940

During the year there was a reversal to inventory write downs to net realisable value of \$8,655 (2021: \$707,376 write down) from continuing operations for the Group. This is included in cost of sales refer to note 7(a).

15. PREPAYMENTS

	2022	2021
	\$	\$
Current		
Prepayments (i)	1,340,868	865,590
	1,340,868	865,590

(i) Prepayments primarily relate to payments made for the Groups insurance policy premiums and software maintenance.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

16. PROPERTY, PLANT AND EQUIPMENT	2022 \$	2021 \$
Plant and equipment		
Gross carrying amount - at cost	25,296,362	25,140,367
Accumulated depreciation	(15,821,911)	(12,140,413)
Net carrying amount	9,474,451	12,999,954
Land and buildings		
Gross carrying amount - at cost	1,812,383	1,812,383
Accumulated depreciation	(1,179,374)	(868,669)
Net carrying amount	633,009	943,714
Right of use assets		
Gross carrying amount - at cost	29,215,031	21,960,205
Accumulated amortisation	(8,635,935)	(2,958,303)
Net carrying amount (refer to note 23)	20,579,096	19,001,902
Capital work in progress at cost	44,121,641	9,714,727
Total property, plant and equipment	74,808,197	42,660,297
Movement in property, plant and equipment		
Plant and equipment		
Net carrying amount at 1 July	12,999,954	16,079,935
Transfer from capital work in progress	849,108	1,189,799
Disposals	(524,278)	(560,313)
Depreciation charge for the year	(3,850,333)	(3,709,467)
Net carrying amount at 30 June	9,474,451	12,999,954
Land and buildings		
Net carrying amount at 1 July	943,714	1,392,920
Disposals	-	(98,956)
Depreciation charge for the year	(310,705)	(350,250)
Net carrying amount at 30 June	633,009	943,714
Capital works in progress		
At 1 July	9,714,727	505,727
Additions	36,739,552	11,688,487
Transfer to mine properties and development	(1,483,530)	(1,289,688)
Transfer to plant and equipment	(849,108)	(1,189,799)
At 30 June	44,121,641	9,714,727

17. EXPLORATION AND EVALUATION EXPENDITURE

	2022	2021
	\$	\$
Opening balance at 1 July	84,889,989	83,927,367
Expenditure for the year	14,313,214	22,100,017
Acquisition of Norseman Gold Project (50%)	-	550,075
Exploration and evaluation expenditure impaired	(46,182)	(147,093)
Transfer to mine properties and development	(2,025,304)	(15,543,807)
Rehabilitation provision change in conditions	(259,299)	(5,996,570)
Closing balance at 30 June	96,872,418	84,889,989

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.

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 impaired. As a result, exploration and evaluation expenditure of \$46,182 (2021: \$147,093) was written off.

During the year, the Company transferred exploration and evaluation assets of \$2,025,304 (2021: \$15,543,807) associated with the Green Lantern open pit to mine properties. The exploration and evaluation asset was reclassified to mine properties as the Green Lantern open pit resource moved into production. Prior to reclassification to mine properties, the Norseman Gold Project exploration and evaluation asset was assessed for impairment using a discounted cashflow model, with no impairment loss recognised.

18. MINE PROPERTIES AND DEVELOPMENT COSTS

	2022	2021
	\$	\$
Mine properties and development		
Gross carrying amount - at cost	167,716,608	139,290,359
Accumulated amortisation and impairment	(116,289,625)	(99,701,703)
Net carrying amount	51,426,983	39,588,656
Net carrying amount at 1 July	39,588,657	18,903,789
Expenditure for the year	25,132,060	15,442,239
Transfer from capital work in progress (refer to note 16)	1,483,530	1,289,688
Transfer from exploration and evaluation expenditure	2,025,304	15,543,807
Adjustment to rehabilitation provision for a change in conditions	(214,645)	203,355
Amortisation (refer to note 7(a))	(16,587,923)	(11,794,221)
Net carrying amount at 30 June	51,426,983	39,588,657

The amounts above relate to underground and open pit mine capital development for the Halls Creek and Norseman gold projects and pre-production costs capitalised for the Norseman project.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

19. INVESTMENT IN AN ASSOCIATE

The Group's interest in an associate is accounted for using the equity method in the consolidated financial statements.

	2022 \$	2021 \$
Opening balance	-	-
Acquisitions during the period	4,301,338	-
Share of losses	(221,670)	-
Impairment loss	(1,359,704)	-
Closing balance	2,719,964	-

The Group has 19.9% equity interest in Maximus Resources Limited, a mineral exploration and development company based in Australia. The Group has and has appointed a director to the Maximus Resources Limited board.

Below summarises the financial information of the Group's investment in Maximus Resources Limited including consolidation adjustments.

Summarised statement of financial position:

	2022 \$	2021 \$
Current Assets	7,255,878	-
Non-current Assets	13,579,386	-
Current liabilities	(334,420)	-
Non-current liabilities	-	-
Equity	20,500,844	-
Group's share in equity - 19.9% (2021: nil)	4,079,668	-
Group's carrying amount of investment in Maximus Resources Limited ⁽¹⁾	2,719,964	-

(1) The difference between the Groups share in equity and the carrying amount of the investment is in relation to an impairment recorded of \$1,359,704.

Summarised statement of profit or loss:

Revenue and other income	35,757	-
Administration expenses	(1,054,134)	-
Finance costs	(2,927)	-
Impairment of exploration assets	(61,773)	-
Other expenses	(30,843)	-
Loss before tax	(1,113,920)	-
Income tax expense	-	-
Loss for the year	(1,113,920)	-
Other comprehensive loss	-	-
Total comprehensive loss for the year	(1,113,920)	-
Group's share of profit for the year - 19.9% (2021: nil)	(221,670)	-

At each reporting date an assessment is made of the carrying value of the associate against the closing ASX listed share price (level 1 within the fair value hierarchy). As at 30 June 2022, there had been a significant decline in the share price with the recoverable amount being \$2,719,964. As a result, the Group has recognised an impairment loss of \$1,359,704. As per the Group's accounting policy (refer to note 3) the loss is recognised within the "Share of loss of an associate" in the statement of profit or loss.

20. TRADE AND OTHER PAYABLES (CURRENT)

	2022	2021
	\$	\$
Trade payables (i)	17,612,884	9,578,009
Sundry payables and accrued expenses (ii)	5,443,483	4,141,197
	23,056,367	13,719,206

(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.

21. PROVISIONS

	2022	2021
	\$	\$
Current		
Provision for annual leave	1,714,658	1,583,650
Provision for long service leave	492,093	-
Provision for fringe benefits tax payable	3,480	4,262
	2,210,231	1,587,912
Non-current		
Provision for long service leave	622,409	853,450
Provision for rehabilitation (i)	19,351,092	19,663,282
	19,973,501	20,516,732

(i) 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 Consolidated Statement of Profit and Loss and Other 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.

	2022	2021
	\$	\$
Movements in provision for rehabilitation		
Opening balance at 1 July	19,663,282	25,617,395
Adjustment due to revised conditions	(473,944)	(5,793,215)
Rehabilitation expenditure	(34,111)	(394,181)
Unwind of discount	195,865	233,283
Closing balance at 30 June	19,351,092	19,663,282

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

22. INTEREST-BEARING LOANS AND BORROWINGS

	2022 \$	2021 \$
Current		
Insurance premium funding	402,767	373,162
Lease liabilities (refer to note 23)	8,237,212	5,889,660
GCI finance facility (i)	10,000,000	-
	18,639,979	6,262,822
Non-current		
Lease liabilities (refer to note 23)	20,089,595	13,560,147
GCI finance facility (i)	17,768,841	-
	37,858,436	13,560,147

(i) On 23 September 2021, Pantoro executed a \$30 million corporate finance facility with Global Credit Investments (GCI). The facility has an agreed margin of 7% on the outstanding loan balance and a term of 3 years, amortising over the last 18 months of the loan. The facility is subject to minimum liquidity and standard debt service ratios. The facility was fully drawn down on 11 October 2021. As part of this facility, Pantoro issued to GCI 36,363,636 unlisted options on 23 September 2021 with an exercise price of \$0.275 and expiring 30 September 2024. These options represent a non-cash financing activity.

The GCI Finance facility is secured: over the assets of Pantoro Limited, including the shares of its subsidiaries Halls Creek Mining Pty Ltd and Pantoro South Pty Ltd; via a mortgage over the operational assets, including the key tenure, of the Halls Creek Project; and via the grant of a charge over the assets of Pantoro South Pty Ltd which owns Pantoro's 50% interest in the Norseman Gold Project. The charge over the assets of Pantoro South extends to its interest in the tenure.

The fair value of the GCI finance facility approximates their carrying value.

23. LEASES

Group as a lessee

The Group has lease contracts for various items of mining equipment, site accommodation, plant, machinery and commercial property used in its operations. Leases generally have lease terms between 1 month and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of machinery and equipment with lease terms of 12 months or with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

Right-of-use assets	Plant and equipment	Land & buildings	Total
Opening balance	18,991,515	10,388	19,001,903
Additions	1,689,458	6,002,030	7,691,488
Depreciation expense	(5,778,208)	(88,897)	(5,867,105)
Adjustment to lease terms	(247,190)	-	(247,190)
As at 30 June 2022	14,655,575	5,923,521	20,579,096

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022 \$	2021 \$
Lease liabilities		
Opening balance	19,449,807	13,895,516
Additions	14,954,744	3,882,574
Accretion of interest	558,082	613,929
Payments	(6,386,858)	(5,642,892)
Adjustment to lease terms	(248,968)	6,700,680
As at 30 June	28,326,807	19,449,807

The following are the amounts recognised in profit or loss:

	2022 \$	2021 \$
Depreciation expense of right-of-use assets	(5,867,105)	(5,188,627)
Interest expense on lease liabilities	(558,082)	(613,929)
Expense related to short-term leases (included in cost of sales)	(103,785)	(242,250)
Expense related to low-value assets (included in administration expenses)	(2,304)	(2,400)
Gain on lease terminations	1,779	-
	(6,529,497)	(6,047,206)

The Group had total cash payments for lease liabilities (including short-term and low value leases) of \$6,492,947 (2021: \$5,887,542).

24. DEFERRED CONSIDERATION

	2022 \$	2021 \$
Current		
Acquisition of Norseman Gold Project (50%)	-	10,000,000
	-	10,000,000

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

25. ISSUED CAPITAL

	2022 \$	2021 \$
(a) Ordinary Shares		
Issued and fully paid	344,731,334	299,808,987
(b) Movements in ordinary shares on issue	Number	\$
At 1 July 2020	1,175,943,929	246,503,884
Share placement	208,333,334	50,000,000
Share purchase plan	22,916,967	5,500,000
Exercise of ZEPOs	1,203,998	-
Share issue costs	-	(2,194,897)
At 30 June 2021	1,408,398,228	299,808,987
At 1 July 2021	1,408,398,228	299,808,987
Share placement	155,172,414	45,000,000
Exercise of ZEPOs	600,470	-
Exercise of PEPOs	698,530	102,500
Exercise of unlisted options	10,000,000	1,750,000
Exercise of share rights	175,229	-
Share issue costs	-	(1,930,153)
At 30 June 2022	1,575,044,871	344,731,334

(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.

(d) Options and share 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 (\$)	2022 Number	2022 Number
Unlisted options	31/03/2022	0.15	-	5,000,000
Unlisted options	31/03/2022	0.20	-	5,000,000
Unlisted options	4/07/2022	0.24	3,500,000	3,500,000
Unlisted options	4/07/2022	0.25	3,500,000	3,500,000
Unlisted options	8/11/2022	0.205	1,500,000	3,000,000
Unlisted options	30/06/2023	nil	-	1,200,938
Unlisted options	30/06/2023	nil	-	2,328,170
Unlisted options	30/06/2024	nil	2,397,012	2,397,012
Unlisted options	30/09/2024	0.275	36,363,636	-
Unlisted options	30/06/2026	nil	7,583,056	-
Share rights - director salary sacrifice plan	-	nil	332,745	-
Total			55,176,449	25,926,120

(e) Shares issued on exercise of options and share rights

Date of option conversion	Number of options and share rights	Exercise price per option	Expiry date	Increase in contributed equity
9 July 2021	600,470	-	30 Jun 23	-
23 November 2021	500,000	0.205	08 Nov 22	102,500
14 March 2022 (i)	500,000	0.205	08 Nov 22	-
23 March 2022	5,000,000	0.15	31 Mar 22	750,000
23 March 2022	5,000,000	0.20	31 Mar 22	1,000,000
2 May 2022	115,670	-	-	-
3 May 2022	36,425	-	-	-
27 June 2022	23,134	-	-	-
Total	11,775,699			1,852,500

(i) 500,000 options exercised using the cashless option exercise facility for the issue of 198,530 ordinary shares.

26. RESERVES

	2022	2021
	\$	\$
Options reserve	4,613,958	4,613,958
Share-based payment reserve	7,304,252	4,319,767
	11,918,210	8,933,725

(a) Option reserve

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

(b) 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.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS

(a) Recognised share-based payment expense

The expense recognised for services received during the year is shown in the table below:

Expense arising from equity-settled share-based payments

2022	2021
\$	\$
653,576	364,801

(b) Options issued to finance facility provider

On 23 September 2021, Pantoro executed a \$30 million corporate finance facility with Global Credit Investments (GCI). As part of this facility Pantoro issued to GCI 36,363,636 unlisted options on 23 September 2021 with an exercise price of \$0.275 and expiring 30 September 2024. The Group has rebutted the presumption that the fair value of the services received could be reliably measured and has measured the services received using the fair value of the equity instruments issued. The fair value of the options was determined using a Black-Scholes model using the following assumptions:

Grant date	30-Sep-21
Expected Volatility (%)	60%
Risk-free interest rate (%)	0.26%
Expected life of options (yrs)	3.0
Exercise price	\$0.275
Average share price over service period (\$)	\$0.205
Fair value at grant date (\$)	\$0.064

The expected volatility was determined using a historical sample of the Company's share price over a historical term consistent with the option period. The resulting expected volatility therefore reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At the end of the period 36,363,636 options were outstanding and exercisable.

(c) Options issued to corporate adviser

On 17 April 2020, the Company announced the appointment of Argonaut as its corporate advisor to support the company in managing the transition of the business from a small single asset producer to an Australian mid-tier gold company. Argonaut will receive ongoing advisory fees of \$15,000 per month for the first six months and \$7,500 per month for the remainder of the 12 month term for provision of services. To align the interest of Argonaut with the Group, Argonaut may also subscribe for 5,000,000 options at an exercise price of \$0.15 and 5,000,000 options at an exercise price of \$0.20 with both tranches expiring 31 March 2022. Argonaut is required to pay a subscription fee of \$100,000 for the issue of both option tranches. The subscription fee was paid on 14 July 2020 and options issued on 15 July 2020. On 23 March 2022, all 10,000,000 options were exercised and ordinary shares issued. As there were no identifiable services attached to this grant, the Group measured the unidentified services using the grant date fair value of the equity instruments. The fair value of the options was determined using a Black-Scholes model using the following assumptions:

Grant date	17-Apr-20	
Expected Volatility (%)	60%	
Risk-free interest rate (%)	0.21%	
Expected life of options (yrs)	2.0	
Exercise price	\$0.150	\$0.200
Share price at grant date (\$)	\$0.135	\$0.135
Fair value at grant date (\$)	\$0.029	\$0.018

The expected volatility was determined using a historical sample of the Company's share price over a historical term consistent with the option period. The resulting expected volatility therefore reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(d) Incentive options and performance rights scheme

Under the Incentive Options and Performance Rights Scheme (Scheme), grants are made to senior executives and other staff members who have made an impact on the Group's performance. Scheme grants are delivered in the form of share options or performance rights which vest over periods as determined by the Board of Directors.

The current Scheme was approved at the 2019 Annual General Meeting replacing the previous Long Term Incentive Plan (LTIP) with wording updated to reflect current best practice.

PEPOs

Share options are issued for nil consideration. The exercise price, vesting conditions and expiry date are determined by the Board of Directors. Any options that are not exercised by the expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company.

ZEPOs (Performance options)

Performance options are issued for nil consideration. The performance options vest over a measurement period of one to three years subject to meeting performance measures. The Company uses relative total shareholder return and absolute share price as the performance measures for the performance options. Any performance options that do not vest when tested against performance measures will lapse. Upon vesting these performance options will convert into an option to acquire ordinary fully paid share of the Company for nil consideration. Any performance options that are not exercised by the second anniversary date of their vesting date will lapse.

Summary of options granted under the Incentive Options and Performance Rights Scheme

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movement in, rights and share options issued under the Scheme.

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at the beginning of the year	15,926,120	0.146	12,791,876	0.182
Expired during the year	-	-	-	-
Granted during the year	7,583,056	-	5,461,918	-
Forfeited during the year	(3,428,638)	0.030	(1,123,676)	-
Exercised during the year	(1,600,470)	0.128	(1,203,998)	-
Outstanding at the year end	18,480,068	0.109	15,926,120	0.146
Exercisable at the year end	8,500,000	0.238	6,500,000	0.224

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS (CONTINUED)

(d) Incentive options and performance rights scheme (continued)

The outstanding balance as at 30 June 2022 is represented by the following table:

Grant Date	Vesting Date	Expiry Date	Exercise Price (\$)	Options Granted	Options lapsed / cancelled and exercisable	Options Exercised	Number of options at end of period	
							On Issue	Vested
PEPOs								
1/07/2019 ⁽¹⁾	4/07/2020	4/07/2022	0.24	3,500,000	-	-	3,500,000	3,500,000
1/07/2019 ⁽¹⁾	4/07/2020	4/07/2022	0.25	3,500,000	-	-	3,500,000	3,500,000
8/11/2019	8/11/2020	8/11/2022	0.205	3,000,000	(500,000)	(1,000,000)	1,500,000	1,500,000
ZEPOs								
4/10/2019	1/07/2021	30/06/2023	nil	1,395,938	(795,468)	(600,470)	-	-
16/10/2020	1/07/2021	30/06/2023	nil	2,696,538	(2,696,538)	-	-	-
16/10/2020	1/07/2023	30/06/2025	nil	2,765,380	(368,368)	-	2,397,012	-
1/11/2021	1/07/2024	30/06/2026	nil	3,674,536	-	-	3,674,536	-
17/11/2021	1/07/2024	30/06/2026	nil	3,908,520	-	-	3,908,520	-
				24,440,912	(4,360,374)	(1,600,470)	18,480,068	8,500,000

(1) Recognition of expenses in relation to these PEPOs commenced in 30 May 2019

Weighted average remaining contractual life of performance rights and share options

The weighted average remaining contractual life for the performance rights and share options outstanding as at 30 June 2022 is 3.50 years (2021: 2.40 years).

Range of exercise price of performance rights and share options

The range of exercise price for performance rights and options outstanding at the end of the year is \$0.00 to \$0.25 (2021: \$0.00 to \$0.25).

Weighted average fair value of performance rights and share options

The weighted average fair value of options granted during the year was \$0.228 (2021: \$0.065).

ZEPO Performance conditions

The performance options have the following performance hurdles, which will be measured over the measurement period from grant date:

- The Relative Total Shareholder Return (TSR) performance options (50% of total performance options) are measured by comparing the performance of Pantoro against the performance of the S&P/All Ordinaries Gold Index. The Relative TSR performance condition measures Pantoro's ability to deliver superior shareholder returns relative to its peers.

The vesting schedule for the Relative TSR measure is as follows:

Relative TSR Performance	% Contribution to the Number of Employee Options to Vest
Below Index 0%	0%
Equal to the Index	50%
Above Index and below 15% above the Index	Pro-rata from 50% to 100%
15% above the Index	100%

- The Absolute Share Price (ASP) performance options (50% of total performance options) are measured based on the percentage growth in Pantoro's share price over the measurement period. The ASP performance condition aligns with our shareholders overall interests.

The vesting schedule for the ASP measure is as follows:

ASP Performance	% Contribution to the Number of Employee Options to Vest
Share price appreciation < 10%	0%
Share price appreciation > 10%	50%
Share price appreciation > 10% < 60%	Pro-rata from 50% to 100%
Share price appreciation > 60%	100%

Share option valuation

The fair value of the equity-settled share options granted under the Scheme is estimated at the date of grant using either a Black & Scholes or a Monte Carlo model, which takes into account factors including the option's exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at grant date, historical and expected dividends and the expected life of the option, and the probability of fulfilling the required hurdles.

The following table gives the assumptions made in determining the fair value of the options granted:

2022								
Type	ZEPO			ZEPO				
Grant date	17-Nov-21			01-Nov-21				
Expected Volatility (%)	60%			60%				
Risk-free interest rate (%)	0.82%			0.90%				
Expected life of options (yrs)	2.6			2.7				
Exercise price	\$0.00			\$0.00				
Share price at grant date (\$)	\$0.350			\$0.225				
Performance Condition	TSR		ASP	TSR		ASP		
Fair value at grant date (\$)	\$0.298		\$0.286	\$0.160		\$0.152		

2021								
Type	ZEPO		ZEPO		ZEPO		ZEPO	
Grant date	16-Oct-20		16-Oct-20		16-Nov-20		16-Nov-20	
Tranche	Tranche 1		Tranche 2		Tranche 1		Tranche 2	
Expected Volatility (%)	60%		60%		60%		60%	
Risk-free interest rate (%)	0.04%		0.04%		0.04%		0.04%	
Expected life of options (yrs)	0.6		0.6		0.6		0.6	
Exercise price	\$0.00		\$0.00		\$0.00		\$0.00	
Share price at grant date (\$)	\$0.195		\$0.195		\$0.195		\$0.195	
Performance Condition	TSR	ASP	TSR	ASP	TSR	ASP	TSR	ASP
Fair value at grant date (\$)	\$0.055	\$0.042	\$0.085	\$0.078	\$0.046	\$0.043	\$0.078	\$0.080

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS (CONTINUED)

Share option valuation (continued)

2021				
Type	ZEPO		ZEPO	
Grant date	Tranche 1		Tranche 2	
Tranche	31-May-21		31-May-21	
Expected Volatility (%)	60%		60%	
Risk-free interest rate (%)	0.03%		0.03%	
Expected life of options (yrs)	0.1		0.1	
Exercise price	\$0.00		\$0.00	
Share price at grant date (\$)	\$0.245		\$0.245	
Performance Condition	TSR	ASP	TSR	ASP
Fair value at grant date (\$)	\$0.106	\$0.028	\$0.140	\$0.111

The expected volatility was determined using a historical sample of the Company's share price over a historical term consistent with the option period. The resulting expected volatility therefore reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(e) Directors salary sacrifice plan

Under the Directors salary sacrifice plan (Plan), Directors may elect to sacrifice part or all of their fees to acquire ordinary fully paid shares in the Company through the grant of PEPOs or share rights as determined by the Board.

The Plan and approval for all current Directors to participate were approved at the 2021 Annual General Meeting.

PEPOs

PEPOs are valued using a Black-Scholes formula using the 20-day volume weighted average price (VWAP) prior to the date of the Company's notice of annual general meeting to determine the value to salary sacrifice. The exercise price, vesting conditions and expiry date are determined by the Board of Directors. Any options that are not exercised by the expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company.

Share Rights

Share rights are valued at the 20-day VWAP prior to the date of the Company's notice of annual general meeting to determine the value to salary sacrifice. They have a nil exercise price and vesting conditions and expiry date are determined by the Board of Directors. Any options that are not exercised by the expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company.

Summary of options and rights granted under the Directors salary sacrifice plan

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movement in, share rights and share options issued under the Plan.

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at the beginning of the year	-	-	-	-
Expired during the year	-	-	-	-
Granted during the year	795,606	-	-	-
Forfeited during the year	(287,632)	-	-	-
Exercised during the year	(175,229)	-	-	-
Outstanding at the year end	332,745	-	-	-
Exercisable at the year end	107,519	-	-	-

Share right valuation

The following table gives the assumptions made in determining the fair value of the share rights issued

2022	
Issue date	19-Nov-21
20-day VWAP	\$0.2086
Exercise price	Nil
Fair value at issue date (\$)	\$0.230

28. COMMITMENTS

(a) Capital commitments

At 30 June 2022, the Group has capital commitments that relate principally to the construction of the Norseman processing plant (50% Pantoro) and the purchase and maintenance of plant and equipment for its mining operations.

Capital expenditure commitments

Estimated capital expenditure contracted for at reporting date, but not recognised as liabilities for the Group:

	2022 \$	2021 \$
- Within one year	4,578,237	26,787,072
(b) Mineral tenement commitments		
- Within one year	3,460,980	3,425,380
- After one year but not more than five years	11,068,100	11,899,840
- After more than five years	6,966,200	6,765,100
	21,495,280	22,090,320
(c) Future lease commitments		
Future minimum lease commitments after year end for non-cancellable leases not yet commenced:		
- Within one year	4,299,890	43,125
- After one year but not more than five years	14,072,391	414,000
- After more than five years	5,183,780	8,625
	23,556,061	465,750

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

28. COMMITMENTS (CONTINUED)

(d) Contractual commitments

The Group has entered into a number of key contracts as part of its operations with terms between 3 and 4 years. The minimum expected payments in relation to these contracts which were not required to be recognised as liabilities at 30 June 2022 amount to approximately \$93,339,000 (undiscounted) (2021: nil).

(e) Other commitments

The Group has royalty and production-based payments related to the contingent consideration payable as part of the acquisition of the Norseman Gold Project as detailed below:

- Royalties payable upon sale of gold and silver produced from the Norseman tenements, being a 1% net smelter royalty (capped at a total of A\$6 million) plus a 0.0025% royalty for a period of 5 years after the first A\$6 million is paid; and
- Contingent \$10,000,000 in cash payable upon definition of 1.8 million ounce reserve base.

29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Other than contingent consideration payable on asset acquisitions there are no contingent liabilities or contingent assets at balance date.

30. SUBSEQUENT EVENTS

On 4 July 2022, 3,500,000 director PEPOs with exercise price \$0.24 expired unexercised. On the same date, a further 3,500,000 director PEPOs with exercise price \$0.25 expired unexercised.

On 8 July 2022, the Company announced the issue of 1,102,730 ordinary shares upon the vesting and exercise of unlisted employee options and the lapsing of 1,294,282 unlisted employee options. These unlisted employee options transactions were from tranche two of ZEPOs granted 16 October 2020, 16 November 2020 and 31 May 2021 and tranche one of ZEPOs granted 1 and 17 November 2021.

On 1 August 2022, the Company announced an update to the Mineral Resource and Ore Reserve at the Green Lantern deposit, part of the Scotia Mining Centre at the Norseman Gold Project. The Mineral Resource now stands at 10Mt @ 1.2g/t Au for 395,000 ounces and the Ore Reserve 4.3Mt @ 1.3g/t AU for 185,000 ounces.

On 5 August 2022, the Company announced the issue of 21,855 ordinary shares upon the exercise of Director salary sacrifice share rights.

On 2 September 2022, the Company announced the issue of 69,402 ordinary shares upon the exercise of Director salary sacrifice share rights.

On 6 September 2022, the Company announced practical completion of construction of the new Norseman Gold Project one million tonne per annum processing plant has been achieved.

There are no other 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years

31. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Pantoro Limited. The information presented here has been prepared using consistent accounting policies as presented in note 5.

	2022	2021
	\$	\$
Current assets	37,841,621	40,110,366
Non-current assets	173,202,433	102,611,335
Total assets	211,044,054	142,721,701
Current liabilities	12,689,450	2,445,937
Non-current liabilities	18,075,343	11,152,950
Total liabilities	30,764,793	13,598,887
Net assets	180,279,261	129,122,814
Issued capital	344,731,334	299,808,987
Accumulated losses	(176,370,283)	(179,619,898)
Option premium reserve	4,613,958	4,613,958
Share-based payments reserve	7,304,252	4,319,767
Total shareholders' equity	180,279,261	129,122,814
Net profit/(loss) of the parent entity	3,249,615	(2,384,413)
Total comprehensive income for the year	3,249,615	(2,384,413)

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

Pantoro Limited and certain Australian controlled entities are parties to a Deed of Cross Guarantee (the Deed) as disclosed in note 32.

Contingent liabilities of the parent entity

Nil

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

Nil

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

32. DEED OF CROSS GUARANTEE

The subsidiaries identified with a '*' in note 35 are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the Deed, the wholly owned entities have been relieved from the requirements to prepare financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

These subsidiaries and Pantoro Limited together referred to as the 'Closed Group', entered into the Deed on 13 June 2019. The effect of the Deed is that each party to it has guaranteed to pay any deficiency in the event of the winding up of any of the entities in the Closed Group.

Consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income for the entities that are members of the Closed Group is as follows:

	Deed 2022 \$	Deed 2021 \$
Revenue	73,520,853	87,790,363
Cost of sales	(74,238,119)	(69,879,462)
Gross (loss)/profit	(717,266)	17,910,901
Other income	202,842	291,616
Other expenses	(4,520,390)	(3,515,926)
Finance costs	7,868,065	(1,265,094)
Care and maintenance costs	(797,256)	(818,825)
Impairment recognised	-	(8,607)
Exploration and evaluation expenditure written off	(46,182)	(147,219)
Share of loss of an associate	(1,581,374)	-
Profit before income tax	408,439	12,446,846
Income tax expense	-	-
Profit after income tax	408,439	12,446,846
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	-	-
Other comprehensive profit for the year, net of tax	-	-
Total comprehensive profit for the year, net of tax	408,439	12,446,846
Summary of movements in retained earnings		
Retained earnings at the beginning of the year	(164,163,893)	(176,610,739)
Profit for the year	408,439	12,446,846
At 30 June	(163,755,454)	(164,163,893)

Consolidated statement of financial position

The consolidated statement of financial position for the entities that are members of the Closed Group is as follows:

	Deed 2022 \$	Deed 2021 \$
CURRENT ASSETS		
Cash and cash equivalents	52,040,884	47,382,063
Trade and other receivables	2,470,838	1,292,052
Finance lease receivables	1,084,321	-
Inventories	6,009,767	4,699,940
Prepayments	1,340,867	865,589
Total current assets	62,946,677	54,239,644
NON-CURRENT ASSETS		
Finance lease receivables	6,100,521	-
Property, plant and equipment	74,808,197	42,660,297
Exploration and evaluation expenditure	96,872,418	84,889,989
Mine properties and development costs	51,426,983	39,588,657
Investment in associate	2,719,964	-
Total non-current assets	231,928,083	167,138,943
TOTAL ASSETS	294,874,760	221,378,587
CURRENT LIABILITIES		
Trade and other payables	23,296,278	13,719,205
Provisions	2,210,231	1,587,912
Interest-bearing loans and borrowings	18,639,979	6,262,822
Deferred Consideration	-	10,000,000
Total current liabilities	44,146,488	31,569,939
NON-CURRENT LIABILITIES		
Other Payables	2,245	11,152,950
Provisions	19,973,501	20,516,732
Interest-bearing loans and borrowings	37,858,436	13,560,147
Total non-current liabilities	57,834,182	45,229,829
TOTAL LIABILITIES	101,980,670	76,799,768
NET ASSETS	192,894,090	144,578,819
EQUITY		
Issued capital	344,731,334	299,808,987
Reserves	11,918,210	8,933,725
Accumulated losses	(163,755,454)	(164,163,893)
TOTAL EQUITY	192,894,090	144,578,819

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

33. 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's principal financial instruments comprise receivables, payables, interest-bearing loans and borrowings, deferred consideration payable and cash and short-term deposits.

The Group uses gold forwards to manage its exposure to commodity price fluctuations. Exposure limits are reviewed by management on a continuous basis. As at 30 June 2022, the Group had no outstanding gold forward contracts. 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	
		2022	2021
Financial assets at amortised cost	Note	\$	\$
Cash and cash equivalents	11	52,040,884	47,382,063
Other receivables	12	851,368	408,857
Finance lease receivables	13	7,184,842	-

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 Commonwealth Bank, an Australian bank with credit ratings of AA- (Standard & Poor's).

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. The Group's other receivables relate to other debtors and security deposits.

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's external borrowings are in relation to a GCI finance facility and insurance premium funding facility as disclosed in note 22.

The remaining contractual maturities of the Group's financial liabilities are:

	<6 months	6-12 months	1-5 years	>5 years	Total
2022					
Financial liabilities					
Trade and other payables	(23,056,367)	-	-	-	(23,056,367)
Interest bearing liabilities (excluding leases)	(295,477)	(59,095)	-	-	(354,572)
Lease liabilities	(4,653,379)	(4,653,379)	(18,504,837)	(3,637,549)	(31,449,144)
GCI finance facility	(1,058,630)	(10,954,110)	(21,193,836)	-	(33,206,576)
	(29,063,853)	(15,666,584)	(39,698,673)	(3,637,549)	(88,066,659)
2021					
Financial liabilities					
Trade and other payables	(13,719,206)	-	-	-	(13,719,206)
Interest bearing liabilities (excluding leases)	(329,385)	(54,897)	-	-	(384,282)
Lease liabilities	(3,205,453)	(3,194,637)	(14,058,332)	-	(20,458,422)
Deferred consideration	(10,000,000)	-	-	-	(10,000,000)
	(27,254,044)	(3,249,534)	(14,058,332)	-	(44,561,910)

Currency risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the transacting entity's functional currency. The Group's exposure to foreign currency risk is however not considered to be significant.

Interest rate risk

The Group's exposure to risks of changes in market interest rates relate primarily to the Group's interest-bearing liabilities and cash balances. The level of debt is disclosed in note 22. The Group's policy is to manage its interest cost using fixed rate debt where possible. The GCI finance facility has a fixed interest rate for the first 18 months and then a variable interest rate on commercial terms for the final 18 months. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. The Group's exposure to interest rate risk is not considered to be significant.

At the reporting date, the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below. Reasonably possible changes in floating interest rates that the Group's financial assets are subjected to will not have a material effect on the Group's financial performance and position.

2022	Floating interest rate	Fixed interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	52,040,884	-	-	52,040,884
Trade and other receivables	-	-	851,368	851,368
Finance lease receivables	-	7,184,842	-	7,184,842
	52,040,884	7,184,842	851,368	60,077,094
Financial liabilities				
Trade and other payables	-	-	(23,055,336)	(23,055,336)
Interest-bearing liabilities	(22,768,841)	(33,729,574)	-	(56,498,415)
	(22,768,841)	(33,729,574)	(23,055,336)	(79,553,751)
Net financial liabilities				(19,476,657)

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest Rate Risk (Continued)

2021	Floating interest rate	Fixed interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	47,382,063	-	-	47,382,063
Trade and other receivables	-	-	408,857	408,857
	47,382,063	-	408,857	47,790,920
Financial liabilities				
Trade and other payables	-	-	(13,719,206)	(13,719,206)
Interest-bearing liabilities	-	(19,822,969)	-	(19,822,969)
Deferred consideration	-	(10,000,000)	-	(10,000,000)
	-	(29,822,969)	(13,719,206)	(43,542,175)
Net financial liabilities				4,248,745

Commodity price risk

The Group's revenues are exposed to commodity price fluctuations. The Group manages this risk through the use of gold forward contracts if deemed necessary. As at reporting date, the Group had no unrecognised sales contracts. There is therefore no exposure on recognised financial instruments at the balance sheet date.

Fair values

For all financial assets and liabilities recognised in the Consolidated Statement of Financial Position, carrying amount approximates fair value unless otherwise stated in the applicable notes.

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There are no financial instruments that are measured at fair value during the year.

Transfer between categories

There were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurement.

Changes in liabilities arising from financing activities

	1 July 2021	Cash flows	Additions	Modifications	Reclassification adjustment	30 June 2022
Current interest bearing loans and borrowings (excluding items listed below)	-	-	-	-	10,000,000	5,000,000
Current obligations under leases	5,889,660	(5,828,774)	2,179,702	(248,968)	6,245,592	8,237,212
Current obligations under insurance premium funding	373,162	(545,776)	575,381	-	-	402,767
Current obligations for deferred considerations	10,000,000	(10,000,000)	-	-	-	-
Non-current interest bearing loans and borrowings (excluding items listed below)	-	30,000,000	-	-	(12,231,159)	22,768,841
Non-current obligations under leases	13,560,147	-	12,775,041	-	(6,245,593)	20,089,595
Total liabilities from financing activities	29,822,969	13,625,450	15,530,124	(248,968)	(2,231,160)	56,498,415

	1 July 2020	Cash flows	Additions	Modifications	Reclassification adjustment	30 June 2021
Current obligations under leases	4,560,536	(5,028,963)	1,829,120	-	4,528,967	5,889,660
Current obligations under insurance premium funding	489,130	(649,056)	533,088	-	-	373,162
Current obligations for deferred considerations	4,995,791	(5,000,000)	4,209	-	10,000,000	10,000,000
Non-current obligations for deferred considerations	9,606,090	-	393,910	-	(10,000,000)	-
Non-current obligations under leases	9,334,980	-	2,053,454	6,700,680	(4,528,967)	13,560,147
Total liabilities from financing activities	28,986,527	(10,678,019)	4,813,781	6,700,680	-	29,822,969

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

34. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments determined by the location of the mineral being mined or explored, as these are the sources of the Group's major risks and have the most effect on rates of return. On this basis the Group's reportable segments are as follows:

Halls Creek Project Exploration, mining and processing of gold

Norseman Gold Project (50%) Exploration, mining and processing of gold (processing plant under construction)

The following table presents revenue and profit information regarding the Group's operating segments for the half-years ended 30 June 2022 and 30 June 2021.

Year ended 30 June 2022	Halls Creek Project	Norseman Gold Project	Total
Revenue			
External Customers	73,452,592	68,261	73,520,853
Total revenue	<u>73,452,592</u>	<u>68,261</u>	<u>73,520,853</u>
Results			
Depreciation and amortisation	(25,382,787)	(1,108,106)	(26,490,893)
Interest expense	(509,327)	(36,821)	(546,148)
Exploration and evaluation expenditure written off	(37,527)	(8,655)	(46,182)
Segment profit/(loss)	<u>(1,308,030)</u>	<u>(1,533,145)</u>	<u>(2,841,175)</u>
Year ended 30 June 2021	Halls Creek Project	Norseman Gold Project	Total
Revenue			
External Customers	87,572,178	218,185	87,790,363
Total revenue	<u>87,572,178</u>	<u>218,185</u>	<u>87,790,363</u>
Results			
Depreciation and amortisation	(20,141,038)	(818,825)	(20,959,863)
Interest expense	(611,682)	(398,149)	(1,009,831)
Exploration and evaluation expenditure written off	(144,693)	(2,525)	(147,218)
Segment profit/(loss)	<u>16,907,113</u>	<u>(2,075,853)</u>	<u>14,831,260</u>

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2022 and 30 June 2021.

	Halls Creek Project	Norseman Gold Project	Total
Segment Assets			
As at 30 June 2022	57,837,687	196,024,980	253,862,667
As at 30 June 2021	65,858,604	115,315,538	181,174,142
	Halls Creek Project	Norseman Gold Project	Total
Segment Liabilities			
As at 30 June 2022	(30,521,004)	(40,454,962)	(70,975,966)
As at 30 June 2021	(35,140,439)	(28,060,443)	(63,200,882)

The following table presents segment capital expenditure of the Group's operating segments for the years ended 30 June 2022 and 30 June 2021.

	Halls Creek Project	Norseman Gold Project	Total
Capital Expenditure			
30 June 2022	20,799,838	55,314,376	76,114,214
30 June 2021	15,564,203	33,980,620	49,544,823

Reconciliation of segment results to consolidated results

Finance income and costs are not allocated to individual segments as they are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are not allocated to operating segments.

Reconciliation of profit

	Jun 22 \$	Jun 21 \$
Segment profit	(2,841,175)	14,831,260
Corporate administration expenses	(3,202,223)	(2,498,708)
Share based payments	(653,576)	(364,801)
Corporate interest income	78,270	139,448
(Loss)/gain on disposal of property, plant and equipment	(59,812)	361,645
Elimination of foreign currency translation reserve	-	(442,938)
Other income	58,250	-
Corporate interest expense and borrowing costs	(2,540,626)	(21,980)
Share of loss of an associate	(1,581,374)	-
Total consolidated profit before tax	(10,742,266)	12,003,926

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

34. OPERATING SEGMENTS (CONTINUED)

Reconciliation of assets	Jun 22	Jun 21
	\$	\$
Segment operating assets	253,862,667	181,174,142
Unallocated cash and receivables	37,601,711	39,817,799
Unallocated plant and equipment	450,507	386,647
Unallocated financial assets	2,719,964	-
Group operating assets	294,634,849	221,378,588

Reconciliation of liabilities	Jun 22	Jun 21
	\$	\$
Segment operating liabilities	(70,975,966)	(63,200,882)
Trade and other payables	(1,708,580)	(1,697,678)
Interest-bearing loans and borrowings	(28,568,582)	(383,911)
Provision for employee benefits	(485,386)	(364,348)
Other financial liabilities	-	-
Group operating liabilities	(101,738,514)	(65,646,819)

Segment revenue is all derived from within Australia with all gold and silver being sold to The Perth Mint (2021: 100%).

Non-current assets are all located within Australia.

35. 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	
		2022	2021
Chrome Holdings SA Pty Ltd ⁽¹⁾	Australia	100%	100%
Halls Creek Mining Pty Ltd *	Australia	100%	100%
Pacific Niugini Minerals Pty Ltd	Australia	100%	100%
Pacific Niugini Minerals (PNG) Ltd ⁽²⁾	PNG	100%	100%
Pantoro South Pty Ltd *	Australia	100%	100%

(1) Deregistered 14 November 2021

(2) Currently in the process of being deregistered

* An ASIC-approved Deed of Cross Guarantee has been entered into by Pantoro Limited and these entities.

(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.

NOTES TO THE CONSOLIDATED STATEMENTS (CONTINUED)

36. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

(i) Non-Executive Directors ("NEDs")

		Appointed	Resigned
W Zekulich ⁽¹⁾	Non-Executive Chairman	2 October 2019	-
K Edwards	Non-Executive Director	5 October 2016	-
FJ Van Maanen	Non-Executive Director	4 August 2020	-

(ii) Executive Directors

		Appointed	Resigned
PM Cmrlec ⁽²⁾	Managing Director	1 June 2010	-
SJ Huffadine ⁽³⁾	Operations Director	15 March 2016	-

(iii) Other Executives ("KMPs")

		Appointed	Resigned
SM Balloch	CFO	31 October 2014	-
DW Okeby	Company Secretary	31 October 2014	-

(1) Mr Zekulich was appointed as a Non-Executive Director on 2 October 2019 and appointed Non-Executive Chairmen on 6 February 2020.

(2) Mr Cmrlec was appointed as a Non-Executive Director on 1 June 2010 and appointed Managing Director on 4 April 2011.

(3) Mr Huffadine commenced employment with the Company on 18 January 2016 and was appointed Operations Director on 15 March 2016.

There are no other changes of the key management personnel after the reporting date and before the date the financial report was authorised for issue.

(b) Compensation of key management personnel

	2022	2021
	\$	\$
Short-term employee benefits	1,996,188	1,996,347
Post-employment benefits	139,500	123,965
Other long-term benefits	72,042	73,925
Share-based payments	502,595	260,716
	2,710,325	2,454,953

The amounts disclosed in the table are the amounts recognised as an expense during the period related to key management personnel

(c) Loans to key management personnel

There were no loans to key management personnel during the current or previous financial year

(d) Interest held by Key Management Personnel under the Long Term Incentive Plan

Performance rights held by key management personnel under the long term incentive plan to purchase ordinary shares:

Grant date	Expiry date	Exercise price \$	2022	2021
1/7/2019	4/7/2022	0.24	3,500,000	3,500,000
1/7/2019	4/7/2022	0.25	3,500,000	3,500,000
4/10/2019	30/6/2023	Nil	-	510,938
4/10/2019	8/11/2022	0.205	500,000	1,000,000
16/10/2020	30/6/2023	Nil	-	1,031,432
16/10/2020	30/6/2024	Nil	1,031,432	1,031,432
16/11/2020	30/6/2023	Nil	-	520,628
16/11/2020	30/6/2024	Nil	520,628	520,628
19/10/2021	30/6/2026	Nil	3,908,520	-
1/11/2021	30/6/2026	Nil	1,500,486	-
12/11/2021	19/11/2026	Nil	332,745	-
Total			14,793,811	11,615,058

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2022

In the directors' opinion:

- (a) the financial statements and notes of the Company and of the Group are in accordance with the *Corporations Act 2001* including:
 - (i) comply with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - (ii) give a true and fair view of the Company's and Group's financial position as at 30 June 2022 and of the performance for the year ended on that date; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (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.
- (d) This declaration has been made after receiving declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.
- (e) In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group comprising the company and the controlled entities marked '*' as identified in note 35(a) will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee referred to in note 32.

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



Paul Cmrlec
Managing Director

Dated 27 September 2022

INDEPENDENT AUDITOR'S REPORT



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Independent auditor's 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 (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b. 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 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 (including Independence Standards)* (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 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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INDEPENDENT AUDITOR'S REPORT



We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of non-current assets applicable to the Halls Creek Cash Generating Unit

Why significant	How our audit addressed the key audit matter
The Group's non-current assets comprising property, plant and equipment, mine properties and development costs and exploration and evaluation expenditure are required to be assessed for indicators of impairment in accordance with the Group's accounting policies. Australian Accounting Standards and the Group's accounting policy require the Group to assess, throughout the reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the Group is required to estimate the recoverable amount of the assets or the cash generating unit ("CGU") to which it belongs. The Group performed an impairment indicator assessment and concluded that an impairment indicator was present at 30 June 2022 for the Halls Creek CGU. Accordingly, the Group performed an impairment test and based on the estimated recoverable amount concluded no impairment was required. We consider this to be a key audit matter because of the significant judgment and estimates involved in the determination of the recoverable amount of the non-current assets applicable to the Halls Creek CGU, including assumptions relating to future gold prices and exchange rates, operating and capital costs and an appropriate discount rate reflecting the risk associated with the forecast cash flows having regard to the current status of the project.	We evaluated the Group's assessment as to the presence of any indicators of impairment. Our audit procedures included the following: ▶ Comparison of the Group's market capitalisation relative to its net assets ▶ Reading operational reports, board reports, minutes and market announcements ▶ Consideration of changes to reserves and resources including the gold price and discount rates. We assessed the reasonableness of the Group's impairment assessment process and the estimated recoverable amount of its Halls Creek CGU. Our audit procedures included the following: ▶ Assessed whether the Group's impairment methodology was in accordance with the requirements of Australian Accounting Standards ▶ Evaluated the assumptions and methodologies used by the Group, in particular, those relating to forecast cash flows and inputs used to formulate them. This included assessing, with involvement from our valuation specialists, the gold prices with reference to market prices, exchange rates with reference to consensus forecasts, historical performance and the discount rate used ▶ Tested the mathematical accuracy of the Group's discounted cash flow impairment model and agreed relevant data, including assumptions on timing and future capital and operating expenditure, to the Group's latest approved life of mine plan ▶ Assessed the work of the Group's internal experts with respect to the capital and operating assumptions used in the cash flow forecasts ▶ Assessed the work of the Group's experts with respect to the reserve assumptions used in the cash flow forecasts. This included understanding the reserve estimation process. We also examined the competence, qualifications, and objectivity of the Group's experts, and assessed whether key reserve economic assumptions were consistent with those used elsewhere in the financial report ▶ Assessed the impact of a range of sensitivities to the economic assumptions underpinning the Group's impairment assessment ▶ Evaluated the adequacy of the Group's disclosures in the financial report.

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2. Recognition and measurement of rehabilitation provisions

Why significant	How our audit addressed the key audit matter
As a consequence of its operations, the Group incurs obligations to restore and rehabilitate the environment. Rehabilitation activities are governed by a combination of legislative requirements and Group policies. As at 30 June 2022 the Group's consolidated statement of financial position includes provisions of \$19.4 million in respect of its rehabilitation obligations (refer to Note 21 of the financial report). Estimating the amount of a rehabilitation provision requires judgement in relation to factors such as timing of the rehabilitation, the costs associated with the rehabilitation activities and economic assumptions such as discount rates and inflation rates. Accordingly, this was considered to be a key audit matter.	We evaluated the assumptions and methodologies used by the Group in determining its rehabilitation obligations. Our audit procedures included the following: ▶ Assessed the qualifications, competence and objectivity of the Group's internal and external experts, the work of whom, formed the basis of the Group's rehabilitation cost estimates ▶ In conjunction with our rehabilitation specialists assessed whether the Group's rehabilitation cost estimates were reasonable considering industry benchmarks and relevant legislative requirements ▶ Our rehabilitation specialists also compared the data used by the Group in calculating the rehabilitation provision to the mine closure plans submitted to Department of Mines, Industry, Regulation and Safety and assessed the reasonableness of year-on-year changes of the rehabilitation obligation ▶ Tested the Group's calculation of the estimated present value of its rehabilitation obligations considering the expected timing of the cash outflows and the reasonability of inflation and discount rate assumptions used ▶ Assessed the adequacy of the Group's disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 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, with the exception of the Remuneration Report and our related assurance opinion.

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, 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 the 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.

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INDEPENDENT AUDITOR'S REPORT



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 relating 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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.
- ▶ 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.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Pantoro Limited for the year ended 30 June 2022, 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.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
27 September 2022

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INTERESTS IN MINING TENEMENTS

AS AT 23 SEPTEMBER 2022

Halls Creek, Western Australia	Status	Interest %
E80/2601	Granted	100%
E80/3861	Granted	100%
E80/4458	Granted	100%
E80/4952	Granted	100%
E80/4958	Granted	100%
E80/4991	Granted	100%
E80/5003	Granted	100%
E80/5004	Granted	100%
E80/5005	Granted	100%
E80/5006	Granted	100%
E80/5054	Granted	100%
E80/5150	Granted	100%
E80/5185	Granted	100%
E80/5324	Granted	100%
E80/5456	Granted	100%
G80/23	Granted	100%
L80/70	Granted	100%
L80/71	Granted	100%
L80/94	Granted	100%
L80/97	Granted	100%
M80/343	Granted	100%
M80/355	Granted	100%
M80/359	Granted	100%
M80/362	Granted	100%
M80/471	Granted	100%
M80/503	Granted	100%
P80/1845	Granted	100%
P80/1846	Granted	100%
P80/1844	Granted	100%
P80/1845	Granted	100%
P80/1846	Granted	100%

Norseman, Western Australia	Status	Interest %
E15/1908	Application	50%
E63/1759	Application	50%
E63/2150	Application	50%
E63/2263	Application	50%
L63/74	Application	50%
L63/95	Application	50%
P63/2239	Application	50%
P63/2240	Application	50%
E63/1641	Granted	50%
E63/1919	Granted	50%
E63/1920	Granted	50%
E63/1921	Granted	50%
E63/1969	Granted	50%
E63/1970	Granted	50%
E63/1975	Granted	50%
E63/2034	Granted	50%
E63/2062	Granted	50%
L63/12	Granted	50%
L63/13	Granted	50%
L63/14	Granted	50%
L63/17	Granted	50%
L63/19	Granted	50%
L63/32	Granted	50%
L63/34	Granted	50%
L63/35	Granted	50%
L63/36	Granted	50%
L63/37	Granted	50%
L63/38	Granted	50%
L63/39	Granted	50%
L63/40	Granted	50%
L63/41	Granted	50%
L63/56	Granted	50%
M63/9	Granted	50%
M63/11	Granted	50%
M63/13	Granted	50%
M63/14	Granted	50%

Norseman, Western Australia	Status	Interest %
M63/15	Granted	50%
M63/26	Granted	50%
M63/29	Granted	50%
M63/35	Granted	50%
M63/36	Granted	50%
M63/40	Granted	50%
M63/41	Granted	50%
M63/42	Granted	50%
M63/43	Granted	50%
M63/44	Granted	50%
M63/45	Granted	50%
M63/46	Granted	50%
M63/47	Granted	50%
M63/48	Granted	50%
M63/49	Granted	50%
M63/50	Granted	50%
M63/51	Granted	50%
M63/52	Granted	50%
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M63/60	Granted	50%
M63/61	Granted	50%
M63/62	Granted	50%
M63/63	Granted	50%
M63/64	Granted	50%
M63/65	Granted	50%
M63/66	Granted	50%
M63/67	Granted	50%
M63/68	Granted	50%
M63/69	Granted	50%
M63/88	Granted	50%

Norseman, Western Australia	Status	Interest %
M63/96	Granted	50%
M63/99	Granted	50%
M63/100	Granted	50%
M63/105	Granted	50%
M63/108	Granted	50%
M63/110	Granted	50%
M63/112	Granted	50%
M63/114	Granted	50%
M63/115	Granted	50%
M63/116	Granted	50%
M63/118	Granted	50%
M63/119	Granted	50%
M63/120	Granted	50%
M63/122	Granted	50%
M63/125	Granted	50%
M63/126	Granted	50%
M63/127	Granted	50%
M63/128	Granted	50%
M63/129	Granted	50%
M63/130	Granted	50%
M63/133	Granted	50%
M63/134	Granted	50%
M63/136	Granted	50%
M63/137	Granted	50%
M63/138	Granted	50%
M63/140	Granted	50%
M63/141	Granted	50%
M63/142	Granted	50%
M63/145	Granted	50%
M63/152	Granted	50%
M63/155	Granted	50%
M63/156	Granted	50%
M63/160	Granted	50%
M63/164	Granted	50%
M63/173	Granted	50%
M63/174	Granted	50%
M63/178	Granted	50%

Norseman, Western Australia	Status	Interest %
M63/180	Granted	50%
M63/182	Granted	50%
M63/184	Granted	50%
M63/187	Granted	50%
M63/189	Granted	50%
M63/190	Granted	50%
M63/204	Granted	45%
M63/207	Granted	50%
M63/213	Granted	50%
M63/214	Granted	50%
M63/218	Granted	50%
M63/219	Granted	50%
M63/220	Granted	50%
M63/224	Granted	50%
M63/231	Granted	50%
M63/232	Granted	50%
M63/233	Granted	50%
M63/257	Granted	50%
M63/258	Granted	50%
M63/259	Granted	50%
M63/265	Granted	50%
M63/272	Granted	50%
M63/273	Granted	50%
M63/274	Granted	50%
M63/275	Granted	50%
M63/315	Granted	50%
M63/316	Granted	50%
M63/325	Granted	50%
M63/327	Granted	50%
M63/526	Granted	50%
M63/659	Granted	50%
M63/666	Granted	50%
M63/668	Granted	50%
P63/2003	Granted	50%
P63/2004	Granted	50%
P63/2010	Granted	50%

Norseman, Western Australia	Status	Interest %
P63/2089	Granted	50%
P63/2096	Granted	50%
P63/2138	Granted	50%
P63/2139	Granted	50%
P63/2140	Granted	50%
P63/2141	Granted	50%
P63/2142	Granted	50%
P63/2261	Granted	50%
P63/2262	Granted	50%
P63/2263	Granted	50%

SECURITY HOLDER INFORMATION

AS AT 23 SEPTEMBER 2022

(a) Top 20 Quoted Shareholders

BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	279,151,107	17.71
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	182,804,681	11.60
CITICORP NOMINEES PTY LIMITED	146,109,558	9.27
BNP PARIBAS NOMS PTY LTD <DRP>	86,231,271	5.47
MCCUSKER HOLDINGS PTY LTD	78,700,000	4.99
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	65,080,548	4.13
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	24,557,259	1.56
UBS NOMINEES PTY LTD	24,334,974	1.54
MR RICHARD FARLEIGH	22,736,545	1.44
SPAR NOMINEES PTY LTD	19,800,000	1.26
HILLBOI NOMINEES PTY LTD	18,042,565	1.14
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	17,548,776	1.11
ALL-STATES FINANCE PTY LIMITED	11,527,749	0.73
NATIONAL NOMINEES LIMITED	10,101,371	0.64
LIBERTY MANAGEMENT PTY LTD <LIBERTY SUPERANNUATION FUND>	10,095,777	0.64
BUNDARRA TRADING COMPANY PTY LTD <THOMAS EMERY KENNEDY A/C>	9,958,397	0.63
GOLDFIRE ENTERPRISES PTY LTD	9,247,283	0.59
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	9,083,743	0.58
EUGOB NOMINEES PTY LTD <THE COOLING FAMILY A/C>	8,000,000	0.51
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	7,564,329	0.48
Total	1,040,675,933	66.02

(b) Distribution of quoted ordinary shares

Size of parcel

1 - 1,000	308	58,151
1,001 - 5,000	901	2,976,737
5,001 - 10,000	648	5,277,892
10,001 - 100,000	2,079	83,969,060
100,001 -	778	1,483,957,018
Total	4,714	1,576,238,858

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

Minimum \$ 500.00 parcel at \$ 0.18 per unit (2,778 shares).	649	786,251
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(d) Substantial Shareholders

ROBMAR INVESTMENTS PTY LTD	201,500,000	12.78
FRANKLIN RESOURCES, INC.	98,247,127	6.23

(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 Share Rights

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

(f) Unquoted Equity Securities

Unquoted Options	Exercise Price	Expiry Date	Number of Holders
1,500,000	\$0.205	08/11/2022	4 [^]
36,363,636	\$0.275	30/09/2024	1
7,583,056	Nil, subject to performance conditions.	30/06/2026	9 [^]
45,446,692			

Unquoted Share Rights	Exercise Price	Expiry Date	Number of Holders
212,346	Nil	19/11/2026	3
212,346			

[^] Unquoted employee options issued under an employee incentive scheme.

[#] Unquoted director share rights issued under the director salary sacrifice incentive plan.

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

Unlisted Options, Exercise Price \$0.275, Expiry 30/09/2024

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Units	%
36,363,636	100%

^{^, #} Substantial holders of these unquoted securities are not provided as they are issued under an employee incentive scheme.