

Pantoro Gold enters partnership with Mega Resources

Pantoro Gold Limited (ASX:PNR) (**Pantoro Gold** or the **Company**), a WA-based gold producer focused on unlocking the full potential of its 100%-owned Norseman Gold Project (**Norseman** or **Project**) is pleased to advise that it has entered into a partnership agreement with Mega Resources Pty Ltd and Bain Global Resources Pty Ltd (together referred to as **Mega**) in relation to the high-grade Rama Open Pit in the Forrestania Region of Western Australia (**Rama Open Pit**).

Importantly, the agreement includes an exclusive option for Pantoro Gold to mine and develop the high-grade underground mine beneath the open pit through a profit sharing agreement, potentially extending the life and value of this project well beyond the Rama Open Pit operation.

Key Highlights

- Pantoro Gold to advance Mega up to \$20 million to fund mining of the Rama Open Pit stage 2, secured by a first-ranking interest over project tenure.
- The advance funds are to be recouped from revenue generated from gold delivered by Mega at the rate of \$1,000 per ounce delivered from commencement and in any case all funds must be repaid within eight months of commencement of the agreement.
- Pantoro Gold is responsible for batch processing Rama Open Pit ore and will pay Mega between 70 and 80% of the value of reconciled gold produced depending on ore grade.
- Mega has advised that it expects to deliver approximately 115,000 tonnes at 4.7 g/t Au with a minimum delivery obligation of 17,700 ounces. Pantoro Gold cautions that the Mineral Resource for the open pit has not been published due to Mega being an unlisted company without reporting obligations.
- Pantoro Gold has an exclusive 12-month option to provide a work program for a potential underground operation following completion of the Rama Open Pit.

Commenting on the agreement Managing Director Paul Cmrlec said:

“This is a great win-win agreement which allows Mega to develop a stranded, high-grade asset using Pantoro’s strong balance sheet, while generating strong-margins for our shareholders.

The high grade material from Rama will replace current low grade stockpile feed processed at Norseman while Pantoro Gold brings online additional high grade underground mines.

Importantly, the drilling within the Rama deposit shows a robust orebody and gives us real confidence in the strong potential for a high-grade underground mine following completion of the open pit. We will work closely with Mega during the coming quarters to agree a work program for infill drilling and subsequent mining and processing under a profit share arrangement.”

Agreement Details

The agreement covers all aspects of the funds advanced by Pantoro Gold to Mega, loan security arrangements, operational processes, and the option to progress an underground operation.

The agreement remains subject to certain conditions precedent which are customary for agreements of this nature.

Loan Agreement

Under the terms of the agreement, Pantoro Gold will provide an initial \$15 million in funding to Mega, with provision for a further \$5 million should it be required. All loaned amounts will earn interest at the rate of 5% per-annum (calculated daily). The funds will be utilised solely to discharge existing debt and for the development of the second stage of the Rama Open Pit (stage one has already been mined by Mega).

The advance is to be repaid at the rate of \$1,000 per ounce delivered, with any remaining outstanding funds to be repaid eight months after the date of the agreement. Pantoro Gold will have a first ranking security interest under a general security agreement which covers Mega’s assets including the project tenure.

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Production

Mega will deliver all ore to Pantoro Gold's Norseman ROM pad, at which point ownership and risk will pass to Pantoro Gold.

Pantoro Gold will process the ore delivered by Mega in batches and gold content will be reconciled against agreed sampling regimes.

Payment for the ore by Pantoro Gold to Mega is to be made on a batch by batch basis on a sliding scale for ore grades, 70% for ore at 2 g/t Au, rising to 80% for ore at 4 g/t Au or greater.

Pantoro Gold's revenue from the profit sharing arrangement is in addition to the repayment of advanced funds.

Underground Mine Option

While the immediate focus is on the Rama Open Pit, Pantoro Gold believes the deeper underground opportunity at Rama is compelling. Pantoro Gold has an exclusive option to provide Mega with an underground work program which will include infill drilling, development and production planning.

Underground work will be completed by Pantoro Gold under a profit share arrangement. The parties are to negotiate terms of a profit sharing agreement in good faith during the option period which extends from commencement of the agreement to six months after completion of the Rama Open Pit. The option provides for an additional six months for Pantoro Gold to commence works pertaining to the agreed underground program (ie. works to commence within 12 months of finalisation of the Rama Open Pit works).

Enquiries

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

About Pantoro Gold

Pantoro is a WA-based gold producer focused on unlocking the full potential of its 100%-owned Norseman Gold Project, one of the highest-grade goldfields in Australia. With a rich history and strong presence in the WA mining sector, Pantoro is committed to driving long-term growth through consistent operational excellence and strategic exploration.

About Mega

MEGA Resources is a privately owned, Western Australia focused mining company and owner with Bain Global Resources of the Rama Gold Mine, specialising in the development and operation of gold projects through an owner operator and partnership model. The Company provides a fully integrated mining solution, leveraging in house expertise across mining, engineering and geology within Australia "MEGA" to efficiently advance projects from resource stage into production.