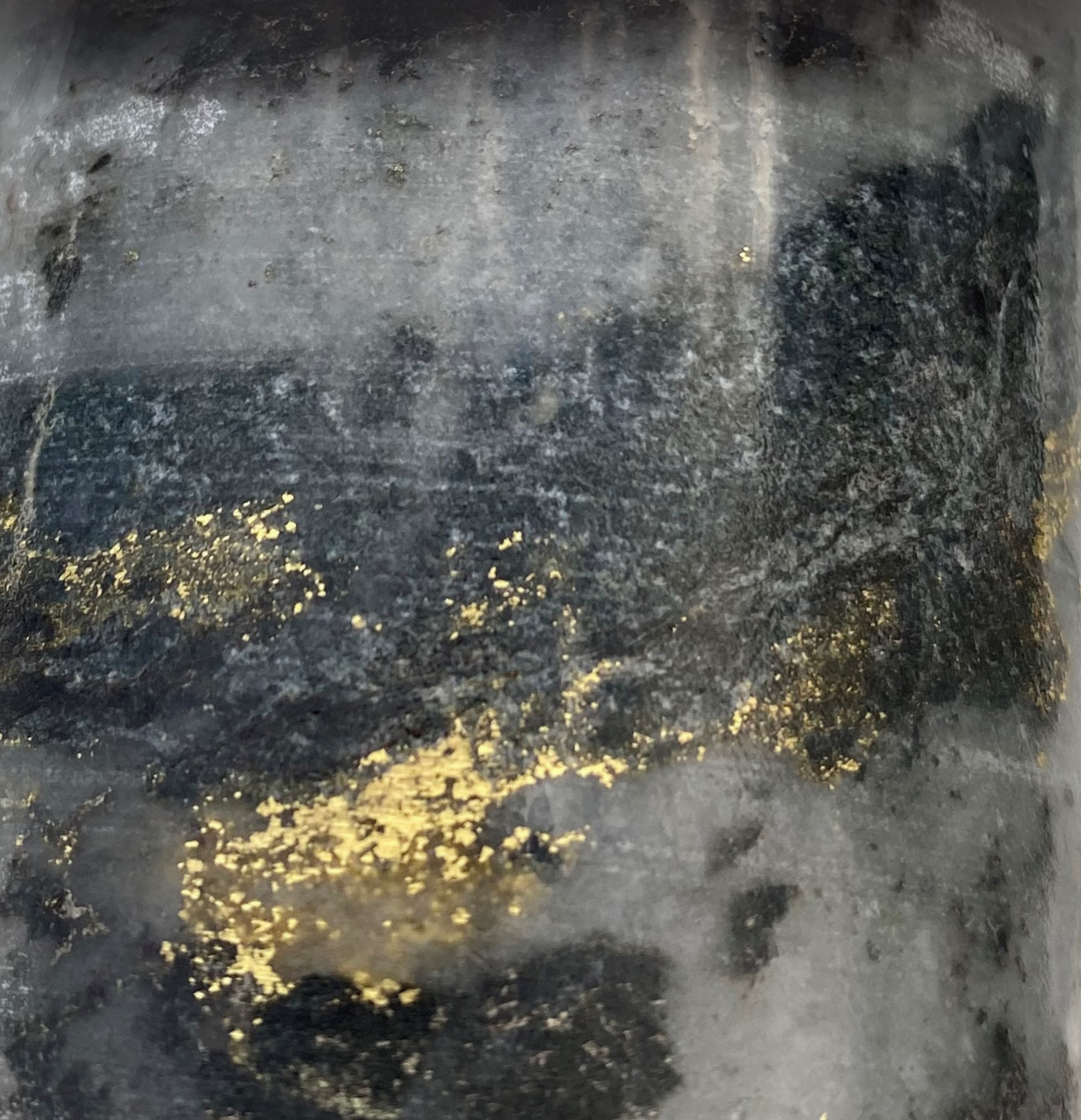
PANTORO

2021 ANNUAL REPORT



CORPORATE DIRECTORY

BOARD OF DIRECTORS
Wayne Zekulich (Non-Executive Chairman)
Paul Cmrlec (Managing Director)
Scott Huffadine (Operations Director)
Kyle Edwards (Non-Executive Director)
Fiona Van Maanen (Non-Executive Director)

COMPANY SECRETARY
David Okeby

REGISTERED OFFICE
Level 2, 46 Ventnor Ave
West Perth WA 6005
Telephone: +61 8 6263 1110

POSTAL ADDRESS
PO Box 1353
West Perth WA 6872

E-MAIL
admin@pantoro.com.au

WEBSITE
www.pantoro.com.au

AUDITORS
Ernst & Young
11 Mounts Bay Road
Perth WA 6000
Telephone: +61 8 9429 2222
Facsimile: +61 8 9429 2436

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Tce
Perth WA 6000
GPO Box 2975 Melbourne Vic 3001
Telephone: (within Australia) 1300 850 505
Telephone: (outside Australia) +61 3 9415 4000
Facsimile: +61 3 9473 2500

SECURITIES EXCHANGE
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000
Code: **PNR**

Cover Photo
Drill Core from Mainfield, Norseman

TABLE OF CONTENTS

MANAGING DIRECTOR'S LETTER

Dear Shareholders

The board of directors of Pantoro Limited (Pantoro) is pleased to present its operational results for the 2021 financial year. Given the ongoing disruptions associated with the COVID-19 pandemic, operating results at both Halls Creek Gold Operation (Halls Creek) and Norseman Gold Project have been excellent.

The Norseman Gold Project has proven to be an outstanding acquisition with a large number of positive drilling results reported throughout the period, covering a number of different deposits. Pantoro drilled some 125,336 metres throughout the period, and a positive Definitive Feasibility Study (DFS) was reported to the ASX in October 2020. Pleasingly, the DFS met all of the goals and expectations that Pantoro set out to achieve when 50% of the project was acquired in July 2019. With the unincorporated joint venture now in full effect, joint venture partner Central Norseman Gold Corporation is responsible for 50% of all project expenditure. Pantoro remains the manager of the joint venture.

The Norseman Gold Project DFS sets out a robust mine plan, sourcing ore from multiple mining centres over an initial seven year life, and construction of a new Carbon-In-Leach (CIL) gold processing facility. Low estimated capital of approximately $90 million is able to be realised through the use of the extensive existing infrastructure at the Norseman Gold Project. Importantly, the DFS considered less than 30% of the existing Mineral Resource areas at Norseman, highlighting the likelihood of mine life and productivity improvements as ongoing drilling programs are finalised.

Following completion of the DFS, Pantoro moved rapidly to execute on construction of the operation. Unfortunately approvals processes have been frustrated by WA government departments despite the site having been in operation since 1935 and not having been required to undertake any additional field or other material work to address department queries. Pantoro understands that approval is imminent, and processing plant construction will commence immediately upon receiving those approvals.

Exploration at Norseman has produced exciting results with a maiden Mineral Resource and Ore reserve expected at the Green Lantern (which lies within the Scotia Mining Centre) in the very near future. Green Lantern was discovered in August 2020. Additional high grade results were also achieved at the Sailfish, Panda, and Scotia SIF prospects during the period. Each of these discoveries hold strong potential to provide future ore supply for the Norseman Gold Project processing plant.

Operational cashflow from Halls Creek was strong as a result of the efficiency maintained by management at the mine, and aided by elevated gold prices. Halls Creek remains an important contributor to the ongoing development of the Norseman Gold Project. It is encouraging to see the Wagtail mine continuing to reveal high grade mineralisation at depth, suggesting ongoing mine life extension at the operation.

Pantoro's share price was relatively flat during the year, however has performed well compared to a number of peers during the recent period of relative weakness in the gold sector. Pantoro is confident that strong growth will be achieved as development of the Norseman Gold Project comes to fruition.

Pantoro has maintained a stable shareholder base throughout the year, and I thank you for your ongoing support of the company. We look forward to another productive year at both Halls Creek and the Norseman Gold Project.

Yours faithfully

P.M. Cmrlec

Paul Cmrlec
Managing Director

Dayshift and nightshift drilling
on the Mainfield, Norseman

Norseman Plant site deconstruction

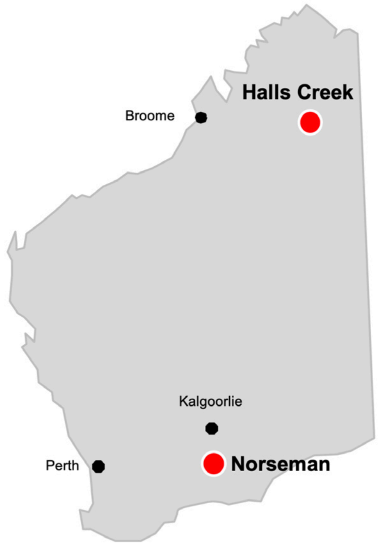
REVIEW OF OPERATIONS

Norseman Gold Project, Western Australia (50%)

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.

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 5 years after the first $6 million is paid. There is also a contingent A$10 million amount payable on the achievement of a 1.8Moz Ore Reserve.



About the Norseman Gold Project

Pantoro announced the major 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 146 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 4.5 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. A Phase One DFS was completed in October 2020 detailing an initial seven year mine plan with a centralised processing facility and combination of open pit and underground mining producing approximately 108,000 ounces per annum. A new one million tonne per annum processing plant is to be constructed by GR Engineering following an extensive tendering process.

Norseman Gold Project Activity Report

Activities at the Norseman Gold Project in the first half of the year were primarily focussed on completion of infill and extensional drilling at the Phase One target locations, completion of the DFS, and submission of approvals documentation.

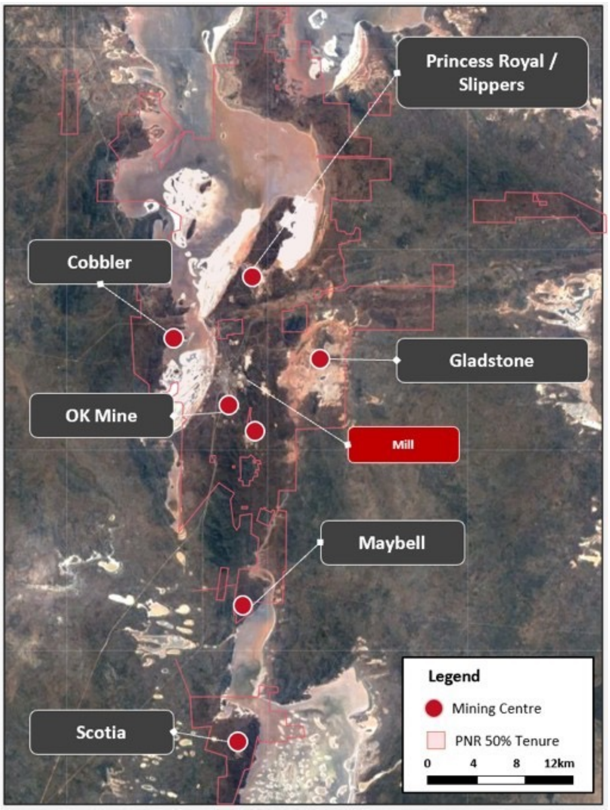
Following completion of the DFS, drilling has shifted to Phase Two growth targets including Scotia extensions and the Mainfield. A drilling rate of approximately 150,000 metres per annum has been maintained throughout the period.

Definitive Feasibility Study (DFS)

The DFS completed in October 2020 was focussed on mining centres which were drilled to a spacing suitable for estimation of Indicated Mineral Resources and calculation of Ore Reserves. Mining Centres included in the DFS include:

- Gladstone-Everlasting (open pit)
- Scotia (open pit and underground)
- Cobbler (open pit)
- Princess Royal (open pit)
- Maybell (open pit), and
- OK (underground)

The results of the DFS were reported to the ASX on 12 October 2020 in a release titled "DFS for Norseman Gold Project". The DFS identified an Ore Reserve of 602,000 ounces to be mined and processed over an initial period of seven years. While at full production the mine is expected to produce approximately 108,000 ounces of gold per annum. Importantly, less than 30% of the Mineral Resources in place at the project were considered for the DFS, and in all cases except OK and Scotia, the deposits were only tested to depths suitable for open pit mining.



First Focus Mining Centres at Norseman.

Key financial outcomes of the DFS included:

- Project pre-tax net cashflow of A$253 million @ A$2,200/Oz and A$485 million @ A$2,600/Oz.
- Average C1 operating cost of A$1,117 per ounce.
- Average All in Sustaining Cost of A$1,272 per ounce.
- Project IRR of 48% at A$2,200 and 91% at $2,600.
- NPV (5%) 191 million at $2,200 and $382 million at $2,600.
- Pre-Production capital of $89 million (PNR 50% share $44.5M).

The DFS identified the requirement to demolish the existing processing plant. Demolition has been completed and preparations for construction of a new 1 million tonne per annum CIL processing plant are well underway.

Ongoing Drilling Program

Following the completion of the DFS in October 2020, Pantoro continued its drilling program throughout the period utilising an average of five drill rigs and a combination of RC and diamond drilling.

The primary focus of project drilling is to continue to convert the current Mineral Resource base to Ore reserve status in order to continue to extend the mine life and the production profile. Drilling since completion of the DFS has been focussed on the Scotia and Mainfield mining centres.

Drilling at the Scotia Mining Centre has been focussed on infill and extension of the Green Lantern discovery and infill of the Scotia deeps orebodies to enable the estimation of an Indicated Mineral Resource and calculation of an Ore Reserve. It is expected that the program will result in substantial additional open pit and underground Ore Reserves in the near term. The aim of the joint venture is to sufficiently grow Ore Reserves to underwrite expansion of processing facilities to 1.5 million tonnes per annum for sustained period in order to further improve project economics.

Drilling at Mainfield has been undertaken along the entire 5 km strike with excellent early results reported to the ASX on 13 July 2021. Following from the first phase of drilling results, activities have been concentrated on the key areas of the Crown Reef, the Butterfly Reef and St Patricks Reef. Current activities are designed to adequately infill the areas of interest to enable additional Ore Reserve addition for the project.

A large number of ASX releases concerning drilling results were released during the year. The title and date of each of the releases is listed below. All Norseman project drilling results referenced in this Annual Report are taken from these announcements:

- 21 July 2020 – Very High Grade Mineralisation Encountered on Lake Cowan
- 27 July 2020 – Panda Discovery Extended with Additional Drilling
- 29 July 2020 – Excellent Results from Maybell Mining Centre
- 20 August 2020 – New Ore Zone Discovered at Scotia Mining Centre
- 3 September 2020 – Ok Mine Drilling Program Complete with High Grade Results
- 29 October 2020 – Big Gold Hits at Green Lantern
- 23 November 2020 – Further High Grade Results from the Sailfish Prospect
- 22 March 2021 – Green Lantern Continues to Expand Scotia Mining Centre
- 10 May 2021 – Deep Drilling at Scotia Confirms High Grade Mineralisation
- 24 May 2021 – Lord Percy Drilling Extends Maybell Mining Centre
- 31 May 2021 – High Grade Results confirm continuity at Sailfish
- 8 June 2021 – Third New Discovery at Scotia Mining Centre

Exploration

In addition to the resource development work completed during the year, Pantoro has continued with new exploration work in key areas with excellent success. The Green Lantern Deposit was discovered by Pantoro in August 2020 and approximately 35,000 metres of drilling has defined a large system over 800 metres of strike. A maiden Mineral Resource of 6.8 Mt @ 1.4 g/t Au for 310,000 ounces and a maiden Ore Reserve of 2.65 Mt @ 1.3 g/t Au for 110,000 ounces @ a 0.6 g/t cut-off grade was announced by Pantoro on 13 September 2021.

Pantoro also drilled the Noganyer Sedimentary Iron Formation (SIF) at Scotia for the first time during the period following field mapping and sampling. The first drill program produced excellent results including:

- 14 m @ 12.84 g/t Au.
- 7 m @ 3.35 g/t Au.
- 27 m @ 1.89 g/t Au.
- 8 m @ 2.27 g/t Au.

Subsequent to the initial drilling program in the SIF, Pantoro has flown ultra close spaced magnetic surveys over the prospective units to aid in design of subsequent drill programs.

On Lake Cowan, Pantoro continued to advance the Sailfish deposit. Sailfish is characterised by typical Norseman style mineralisation with abundant visible gold in narrow quartz reef. Results received to date include:

- 1.6 m @ 61.78 g/t Au from 98.5 m downhole inc. 0.33 m @ 234.14 g/t Au (including 0.4 m of core loss calculated at 0 g/t Au).
- 0.65 m @ 38.66 g/t Au from 88.9 m downhole.
- 0.8 m @ 9.88 g/t Au from 93.0 m downhole.
- 8.1 m @ 67.29 g/t Au from 78.6 m downhole inc. 0.7 m @ 521 g/t and 0.25 m @ 252 g/t Au (including 3.6 m of core loss calculated at 0 g/t Au).
- 3.5 m @ 2.56 g/t Au from 64 m downhole inc. 0.3 m @ 26.2 g/t Au (including 1.6 m of core loss calculated at 0 g/t Au).
- 1.8 m @ 4.25 g/t Au inc. 0.95 m @ 7.71 g/t Au from 171.45 m downhole.
- 0.9 m @ 59.88 g/t Au from 81.1 m downhole.
- 0.65 m @ 115.41 g/t Au from 96.05 m downhole.
- 1.2 m @ 8.10 g/t Au from 73.4 m downhole.
- 1.6 m @ 4.07 g/t Au from 83.0 m downhole.
- 1.45 m @ 4.28 g/t Au from 131 m downhole.

Pantoro is continuing to prioritise drilling at Sailfish according to drilling requirements within near term mining areas.

Noganyer Sedimentary Iron Formation (SIF) Drill Results

The information is extracted from the report entitled 'Third New Discovery at the Scotia Mining Centre' created on 8 June 2021 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.

Lake Cowan Drilling Results

The information is extracted from the reports entitled 'Very High Grade Mineralisation Encountered on Lake Cowan' dated 21 July 2020, 'Further High Grade Results from the Sailfish Prospect' dated 23 November 2020 and 'High Grade Results confirm continuity of mineralisation at Sailfish' dated 31 May 2021 and 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 announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modifed from the original market announcements.

REVIEW OF OPERATIONS (CONTINUED)

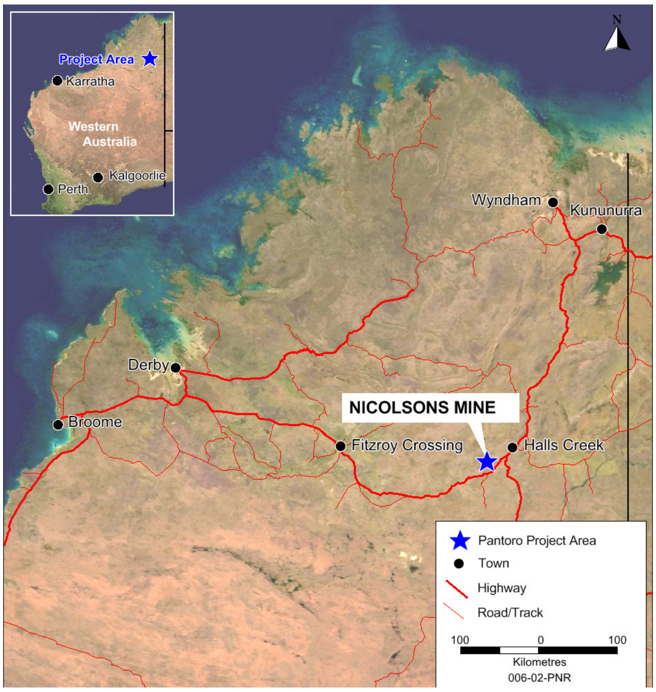
Halls Creek Project, Western Australia (100%)

The Halls Creek Project includes the Nicolsons 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 1.6 million tonnes at 6.5 g/t Au containing approximately 330,000 ounces of gold. The Ore Reserve estimate is 0.9 million tonnes at 4.8 g/t Au containing approximately 136,000 ounces of gold.

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



Halls Creek Project Location

Operating Results

Mining continued at both Nicolsons and Wagtail underground mines throughout the year, with the main focus on the Wagtail underground mine. The discovery of the Rev and Wagon Lodes at Wagtail has substantially improved the gold endowment per vertical metre developed, and capital development to the Wagtail South deposits is well advanced. These factors have positively contributed to replenishment of Ore Reserves at Wagtail with depletion during the past year largely replaced by new ore discovered through drilling or development.

At Nicolsons Mine, very high grades have continued to be recovered from the Johnston Lode with operations primarily concentrated on stoping of ore blocks already developed. Development and stoping operations within remnant blocks commenced late in the period.

Operations have been remarkably stable for the past 18 months with production guidance and costs consistently meeting guidance.

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

	FY 2021			
Physical Summary	**Q1**	**Q2**	**Q3**	**Q4**
UG Ore Mined (t)	55,725	49,172	44,220	47,594
UG Grade Mined (g/t Au)	4.90	6.35	5.67	5.72
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)	57,968	57,263	55,322	58,826
Head Grade (g/t Au)	4.64	5.81	5.02	4.98
Recovery (%)	92.7%	94.7%	94.3%	94.2%
Gold Produced (oz)	8,012	10,143	8,429	8,880
Cost Summary ($/oz)				
Production costs	$1,458	$1,138	$1,373	$1,408
Stockpile Adjustments	-$92	$49	$24	-$79
C1 Cash Cost	**$1,365**	**$1,187**	**$1,397**	**$1,330**
Royalties	$46	$58	$61	$62
Marketing/Cost of sales	$6	$5	$5	$6
Sustaining Capital	$188	$177	$175	$166
Corporate Costs	$7	$7	$5	$7
All-in Sustaining Costs	**$1,612**	**$1,435**	**$1,644**	**$1,570**
Major Project Capital	$2.65M	$1.79M	$1.12M	$0.62M
Exploration Cost	$0.73M	$1.06M	$0.82M	$0.98M
Project Capital	**$3.38M**	**$2.85M**	**$1.94M**	**$1.59M**

* 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.

Impact of COVID-19

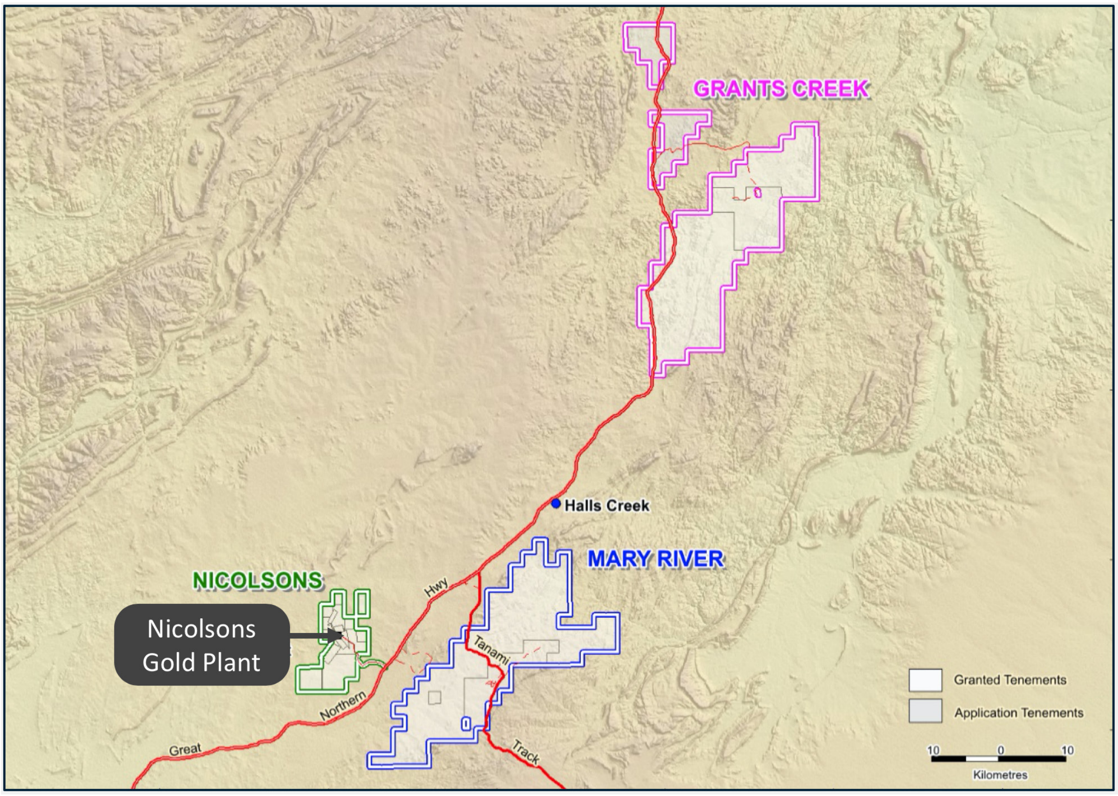
The impacts of COVID-19 continued to be felt throughout the year with limited interstate employees being intermittently locked out of Western Australia, or stuck within the state at various times. The largest impact has been a significant tightening within the labour market with an overall reduction in experience levels across the Western Australian Mining industry.

Despite the restrictions, the mine has been remarkably consistent with gold production guidance met, lower that budgeted costs, and strong cashflow.

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.



Unfortunately work on regional tenements was severely impacted by COVID-19 restrictions during the period. Exploration was cancelled at the beginning of the CY 2020 dry season due to the Kimberley Region bio-security lockdown, and delays then encountered with interstate drilling crews. Despite the delays, a new discovery was announced at the Slattery deposit, which lies only 500 m SSE from the Nicolsons processing plant. Results released to the ASX on 27 January 2021 titled "Halls Creek Returns Ore Grade Mineralisation from Three New & Previously Untested Targets" included:

- 2 m @ 6.8 g/t Au.
- 2 m @ 6.05 g/t Au.
- 2 m @ 4.24 g/t Au.
- 2 m @ 3.46 g/t Au.

In addition, a short drilling program was undertaken at Grants Creek before the wet season set in, with further encouraging results from the Percy East prospect including:

- 8 m @ 3.94 g/t Au inc 6 m @ 5.0 g/t Au.
- 11 m @ 2.42 g/t Au.

The CY2021 dry season has allowed better productivity with a significant drill program completed at Mary River, and additional work underway at both Nicolsons and Grants Creek. The focus of drilling in the 2021 dry season include:

Halls Creek Drilling Results

The information is extracted from the report entitled 'Halls Creek Returns Ore Grade Mineralisation from Three New & Previously Untested Target' created on 27 January 2021 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.

- Extension of the significant mineralisation already identified at Mary River. Approximately 3 km of the northern end of the shear zone is being tested.
- Expansion of the Lamboo PGE deposits.
- Infill and definition of the Slattery discovery with the aim of identifying an additional open pit for Nicolsons mine.
- Extension of Grants Creek Mineral Resources with the aim of identifying additional open pit material to supplement Nicolsons mill feed.

All results from the CY2021 program remain outstanding.

Papua New Guinea (PNG)

Pantoro is in the process of exiting Papua New Guinea, and the only works being undertaken relate to the de-registering its subsidiary Pacific Niugini Minerals (PNG) Limited.

Corporate

Share Issues and Corporate Structure

On 7 August 2020, the Company announced a $55 million capital raising comprising $50 million in firm commitments under a placement at an issue price of 24 cents per share and a share purchase plan (SPP) to raise up to $5.5 million at the same issue price to existing Pantoro shareholders. On 14 August 2020, the Company completed the $50 million share placement and issued 208,333,334 ordinary shares and the Company completed the SPP on 2 September 2020 with the issue of 22,916,967 ordinary shares to raise $5.5 million.

1,203,998 employee ZEPOs vested and exercised during the year with ordinary shares issued.

The capital structure of the company at 30 June 2021 is shown in the table below:

Ordinary Shares (PNR)	1,408,398,228
Unlisted Employee Options	15,926,120 (various conversions and expiry dates)
Unlisted Options – Corporate Advisor	10,000,000 (various conversions dates expiring 31 March 2022)

Gold Forward Contracts

Pantoro currently has no gold forward contracts.

Liquidity

Cash on hand at 30 June 2021 was $47,382,063 (2020: $22,492,639). As at 30 June 2021, the site gold inventory (742 oz), cash and gold on hand (48 oz) was $49.2 million[(1)].

(1) Using the 30 June 2021 spot gold price of A$2,345.24.

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	8,898	3.3	954	9,559	3.9	1,192	20,743	3.4	2,267
Halls Creek Project	504	8.7	142	659	5.9	125	418	4.7	64	1,581	6.5	330
Total	**2,790**	**2.9**	**259**	**9,556**	**3.5**	**1,079**	**9,977**	**3.9**	**1,256**	**22,324**	**3.6**	**2,597**

Norseman Gold Project Mineral Resource(2,3)

	Measured			Indicated			Inferred			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Total Underground	267	14.4	124	2,048	13.6	895	2,883	10.7	988	5,196	12.0	2,010
Total Surface South	140	2.3	10	11,541	2.0	737	12,910	2.7	1,132	24,591	2.4	1,886
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**	**17,796**	**3.3**	**1,908**	**19,118**	**3.9**	**2,385**	**41,472**	**3.4**	**4,534**

Halls Creek Project Mineral Resource

	Measured			Indicated			Inferred			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Nicolsons	173	11.1	62	360	6.1	71	106	8.2	28	640	7.8	161
Wagtail	280	8.6	77	298	5.6	54	133	5.1	22	712	6.7	153
Grants Creek	-	-	-	-	-	-	179	2.4	14	179	2.4	14
Stockpiles	50	1.6	3	-	-	-	-	-	-	50	1.6	3
Total	**504**	**8.7**	**142**	**659**	**5.9**	**125**	**418**	**4.7**	**64**	**1,581**	**6.5**	**330**

(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 13 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	3,729	2.6	307	5,811	1.9	357
Halls Creek Project	490	5.1	80	386	4.5	56	877	4.8	136
Total	**2,573**	**1.6**	**130**	**4,115**	**2.7**	**363**	**6,688**	**2.3**	**493**

Norseman Gold Project Ore Reserve(2, 3)

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Underground	-	-	-	787	5.3	135	787	5.3	135
Open Pit - Northern Mining Centres	-	-	-	2,058	2.4	161	2,058	2.4	161
Open Pit - Southern Mining Centres	-	-	-	4,612	2.1	317	4,612	2.1	317
Stockpiles	4,165	0.8	100	-	-	-	4,165	0.8	100
Total	**4,165**	**0.8**	**100**	**7,458**	**2.6**	**613**	**11,623**	**1.9**	**713**

Halls Creek Project Ore Reserve

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
Nicolsons Underground	109	5.3	18	103	4.9	16	212	5.0	34
Nicolsons Open Pits	39	9.9	12	52	4.2	7	91	6.5	19
Wagtail Underground	292	4.9	46	137	4.5	20	429	4.8	66
Wagtail Open Pits	-	-	-	95	4.3	13	95	4.3	13
Stockpiles	50	1.6	3	-	-	-	50	1.9	3
Total	**490**	**5.1**	**80**	**386**	**4.5**	**56**	**877**	**4.8**	**136**

(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 13 for further detail.

MINERAL RESOURCES & ORE RESERVES (CONTINUED)

Notes to the Mineral Resources & Ore Reserves

Full details are available in an ASX Announcement released on 23 September 2021 entitled 'Annual Mineral Resource & Ore Reserve Statement'.

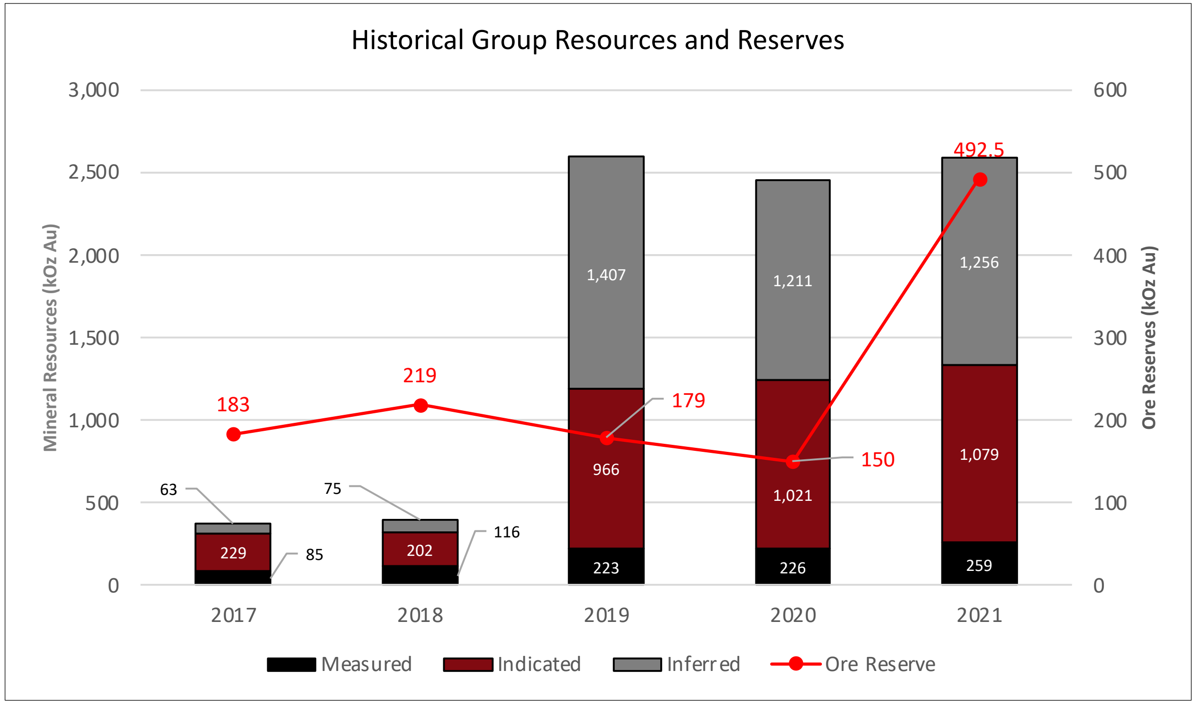
Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

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 6% after mining depletion. The total Ore Reserve increased by 9% 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
2020 Norseman	2,286	1.6	117	6,935	3.9	861	8,285	4.3	1,140	17,506	3.8	2,117
2020 Halls Creek	404	8.4	109	779	6.4	160	420	5.3	71	1,602	6.6	339
2020 Total	**2,690**	**2.6**	**226**	**7,714**	**4.1**	**1,021**	**8,705**	**4.3**	**1,211**	**19,108**	**4.0**	**2,456**
2021 Norseman	2,286	1.6	117	8,898	3.3	954	9,559	3.9	1,192	20,743	3.4	2,267
2021 Halls Creek	504	8.7	142	659	5.9	125	418	4.7	64	1,581	6.5	330
2021 Total	**2,790**	**2.9**	**259**	**9,556**	**3.5**	**1,079**	**9,977**	**3.9**	**1,256**	**22,324**	**3.6**	**2,597**

Pantoro Attributable Ore Reserve - Annual Change

	Proven			Probable			Total		
	kT	Grade	kOz	kT	Grade	kOz	kT	Grade	kOz
2020 Norseman	2,083	0.8	50	2,448	3.2	251	2,448	2.1	301
2020 Halls Creek	312	5.2	52	711	4.3	98	711	4.6	150
2020 Total	**2,395**	**1.3**	**102**	**3,159**	**3.4**	**349**	**3,159**	**2.6**	**451**
2021 Norseman	2,083	0.8	50	3,729	2.6	307	5,811	1.9	357
2021 Halls Creek	490	5.1	80	386	4.5	56	877	4.8	136
2021 Total	**2,573**	**1.2**	**130**	**4,115**	**2.7**	**363**	**6,688**	**2.1**	**493**

***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 Gold Project) has added 310,000 ounces to the total inventory replacing the previous Lady Eleanor Mineral Resource with the addition of the 37,700 metres of drilling.
- The Scotia Open Pit Mineral Resource (Norseman Gold Project) has seen an increase in the Indicated Mineral Resource category related to additional drilling.
- The Nicolsons and Wagtail Mineral Resources (Halls Creek Project) have been depleted of ore mined up to 31 May 2021.
- The Wagtail Mineral Resource (Halls Creek Project) has been updated on account of underground mine development and grade control/extensional exploration drilling programs completed since the previous update.
- The Wagtail South Mineral Resource (Halls Creek Project) has been updated to account for additional drilling.

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

- The Green Lantern Mineral Resource was optimised and an additional 110,000 ounces were added to the Ore Reserve.
- Drilling within the proposed Scotia Open pit shell resulted in conversion of 7,500 ounces from the Inferred to the Indicated category. The additional indicated material was converted to Ore Reserve.
- The Nicolsons Ore Reserve has been depleted of ore mined up to 31 May 2021.
- The Wagtail Ore Reserve has been depleted of ore mined up to 31 May 2021.
- The Wagtail 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 2021 and 23 September 2021

Between 30 June 2021 and 23 September 2021 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 23 September 2021 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 modifed 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 2021.

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) (appointed 2 October 2019)
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 a global investment bank and is on the Board of Infrastructure WA. In the Not-for-Profit sector, Wayne is a committee member of the John Curtin Gallery advisory board and a board member of The Lester Prize. Mr Zekulich serves on the Company's Remuneration and Audit and Risk Committees (both established 14 August 2020).

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 20 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.

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

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)*

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.

Mr Michael Jefferies BCom, CA – Independent Non-Executive Director[(1)] (resigned 3 August 2020)
Mr Jefferies has extensive experience in finance and investment, including 20 years as an executive at Guinness Peat Group plc. Michael is a non-executive director of Homeloans Limited and Ozgrowth Limited. He was formerly a director of a number of financial services companies including Australian Wealth Management Limited, Tower Australia Limited, Clearview Wealth Limited and Afterpay Touch Group Limited. Michael was also formerly a director of a number of resources companies.

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

- Afterpay Touch Group Limited (resigned 16 January 2018)
- Ozgrowth Limited *
- Resimac Group Limited (resigned 26 November 2019)

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 Rick 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*

[(1)] On 6 February 2020 Mr Jefferies resigned as Chairman and Mr Zekulich was appointed as Chairman.

* Denotes current directorship

INTEREST IN SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares and options of Pantoro Limited were:

Director	Full Paid Ordinary Shares	Options
Paul Cmrlec	7,966,955	4,178,780
Kyle Edwards	108,593	1,000,000
Scott Huffadine	2,934,944	3,884,084
Fiona Van Maanen	100,389	-
Wayne Zekulich	384,949	-

DIRECTORS' REPORT (CONTINUED)

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.

OPERATING RESULTS

At Norseman Gold Project the focus was on the completion of a DFS and the preparation for commencement of construction activities once final approvals obtained. Significant exploration activities continued at the Norseman Gold Project throughout the year. At the Company's Halls Creek project, mining operations continued to build on the changes implemented in the prior year with steady production and excellent cost control achieving pleasing cashflow for the year.

Key metrics:

- Gold produced – 35,464 oz (2020: 38,704 oz)
- Revenue - $87,790,363 (2020: $82,135,369);
- Cost of goods sold - $69,879,462 (2020: $90,406,272);
- Gross profit - $17,910,901 (2020: $8,270,903 loss);
- Profit before income tax - $12,003,926 (2020: $29,174,830 loss);
- Net Cash flows from operating activities - $33,618,520 (2020: $19,489,621);
- Net Cash flows used in investing activities - $51,455,922 (2020: $44,492,823); and
- Net Cash flows from financing activities - $42,727,084 (2020: $6,199,097 used).

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2021, 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 21,897,012 ordinary shares under options.

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 1,203,998 Zero Exercise Price Options (ZEPOs) exercised and ordinary shares issued during the financial year (2020: nil), refer to note 23(e).

REVIEW OF OPERATIONS

A full review of the operations of the Group during the year ended 30 June 2021 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 9 July 2021, the Company announced the issue of 600,470 ordinary shares upon the vesting and exercise of unlisted employee options and the lapsing of 3,105,456 unlisted employee options. These unlisted employee options transactions were from tranche two of ZEPOs granted 4 October 2019 and tranche one of ZEPOs granted 16 October 2020, 16 November 2020 and 31 May 2021.

On 17 August 2021, the Company announced it has agreed to a strategic investment in Maximus Resources Limited (Maximus). The Company will participate in the two-tranche capital raising announced by Maximus to emerge with a 19.9% holding subject to Maximus shareholder approval. Tranche 1 was completed 25 August 2021 with Pantoro acquiring 3,960,530 shares at $0.068 for a total of $269,316.04.

On 13 September 2021, the Company announced a maiden Mineral Resources Estimate (MRE) and Ore Reserve for the Green Lantern deposit, part of the Scotia mining centre at the Norseman Gold Project. The MRE contained 6.8 Mt @ 1.4 g/t Au for 310,000 ounces and the Ore Reserve contained 2.65 Mt @ 1.3 g/t for 110,000 ounces.

On 23 September 2021, the Company announced it had secured a A$30 million finance facility from Global Credit Investments (GCI). Key terms of the facility are:

- Agreed margin – 7% per annum on the outstanding loan balance.
- Term – 3 years, amortising over the last 18 months of the loan.
- Secured over the assets of Pantoro and Halls Creek Mining Pty Ltd.
- GCI to be issued 36,363,363 unlisted options with an exercise price of $0.275 per share that will expire 36 months from issue date.
- Final conditions precedent which are administrative in nature are required to be satisfied before draw down under the facility can occur.

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.

REMUNERATION REPORT

CONTENTS

1. REMUNERATION REPORT OVERVIEW

The directors of Pantoro present the Remuneration Report (the Report) for the Group for the year ended 30 June 2021 (FY2021). 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	-
ML Jefferies	Non-Executive Director	5 October 2016	4 August 2020
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

With the continued growth of the Company the Board established a Remuneration Committee on 14 August 2020.

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.

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 41 of this financial report.

Services from remuneration consultants

During the year, the Remuneration Committee approved the engagement of Godfrey Remuneration Group (GRG) to review and provide recommendations in relation to benchmarking the market competitiveness of the remuneration practices for its NEDs and executives and proposed recommendations for a salary sacrifice plan under which directors may sacrifice their fees, or a portion of their fees, for share rights or options to acquire shares in the Company.

The Board is satisfied that the interaction between GRG and the executive management team was minimal, principally involving provision of relevant Company information for consideration by GRG. Further, GRG had processes and procedures in place to minimise potential opportunities for undue influence from KMP. The Board is therefore satisfied that the advice received from GRG was free from undue influence from the KMP to whom the remuneration information applies.

The remuneration recommendations were provided to the Committee as an input into decision making only. The Remuneration Committee considered the recommendations, along with other factors, in making its remuneration decisions.

Total fees paid to GRG for remuneration recommendations during the year ended 30 June 2021 were $36,000. No other services have been provided to Pantoro by GRG.

3. REMUNERATION GOVERNANCE (CONTINUED)

Outcome of GRG Remuneration Review

Following the GRG remuneration review the following changes to the remuneration structure will be made during FY2022:

The long term incentive (LTI) policy will be amended 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.

The fixed remuneration of the executives has been benchmarked to current market conditions with changes shown below:

Position	FY2021 Fixed Annual Remuneration (Including superannuation)	FY2022 Fixed Annual Remuneration(Including superannuation)
Managing Director(1)	$505,000	$507,500
Operations Director	$385,000	$400,000
Chief Financial Officer	$306,600	$325,000
Company Secretary	$273,750	$295,000

(1) Change reflects the increase in superannuation from 9.5% to 10%.

NED remuneration has 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	FY2021 Fixed Annual Remuneration (Including superannuation)	FY2022 Fixed Annual Remuneration(Including superannuation)
Chairman(1)	$109,500	$136,000
Non-Executive Director	$76,650	$80,000
Committee Chairperson	Nil	$12,000
Committee Member	Nil	$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 is looking to finalise the details of a salary sacrifice plan for adoption and use in the financial year ending 30 June 2022 and beyond.

The salary sacrifice plan will allow 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 will be voluntary at the election of the director.

Remuneration report at FY2020 AGM

The FY2020 remuneration report received positive shareholder support at the FY2020 AGM with a vote of 95% 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 1 July 2019 with an aggregate fee pool of $350,000 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 shares are purchased by the directors at the prevailing market share price. Refer to section 3, above, for details of a proposed salary sacrifice plan for future years.

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. No additional fees are paid to NEDs for being a Chair or Member of a sub-committee in the current year. 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.

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 FY2021 potential total remuneration packages split between the fixed and variable remuneration is shown below:

Executive	Fixed remuneration	STI	LTI
Executive Directors	50%	25%	25%
Other Executives	56%	22%	22%

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 FY2021, 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 FY2021: • 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 Resource development (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).

5. EXECUTIVE REMUNERATION (CONTINUED)

Short Term Incentive (STI) arrangements (Continued)

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	Weighting	Targets	Score
Halls Creek Project (HCM)			
Safety – Medically Treated Injury Frequency Rate (MTIFR)	5	Annual MTIFR decreases by 25% or more Annual MTIFR stays within ±25% Annual MTIFR increases by 25% or more	5 2.5 0
Safety – Lost Time Injury Frequency Rate (LTIFR)	5	Annual LTIFR decreases by 25% or more Annual LTIFR stays within ±25% Annual LTIFR increases by 25% or more	5 2.5 0
Environmental	2.5	Exceptional environmental management performance No serious breaches of environmental management Serious breach of environmental management	5 1.25 0
Project net cashflow relative to budget	12.5	Outperform budget by 10% Outperform budget by between 5% and 10% Outperform budget by less than 5% Underperforms budget by less than 5% Underperforms budget by between 5% & 10% Underperforms budget by more than 10%	12.5 10 7.5 5 2.5 0
Gold Production relative to budget	12.5	Outperform budget by 10% Outperform budget by between 5% and 10% Outperform budget by less than 5% Underperforms budget by less than 5% Underperforms budget by between 5% & 10% Underperforms budget by more than 10%	12.5 10 7.5 5 2.5 0
Norseman Gold Project (NGP)			
Safety – Medically Treated Injury Frequency Rate (MTIFR)	5	Annual MTIFR decreases by 25% or more Annual MTIFR stays within ±25% Annual MTIFR increases by 25% or more	5 2.5 0
Safety – Lost Time Injury Frequency Rate (LTIFR)	5	Annual LTIFR decreases by 25% or more Annual LTIFR stays within ±25% Annual LTIFR increases by 25% or more	5 2.5 0
Environmental	2.5	Exceptional environmental management performance No serious breaches of environmental management Serious breach of environmental management	5 1.25 0
Ore reserve	5	Ore Reserve total 500,000 ounces or more Ore Reserve > 250,000 ounces Ore Reserve < 250,000 ounces	5 2.5 0
Definitive Feasibility Study (DFS)	5	DFS completed and approvals in place, and construction started DFS completed and approvals in place, but construction not started DFS and approvals not complete	5 2.5 0
Exploration	3.75	Two or more new discoveries with maiden mineral resource suitable for mining optimization One new discovery with maiden mineral resource suitable for mining optimization One or more new discoveries but no mineral resource Target drill metres achieved with costs >+10% of budget	3.75 2.5 1.25 0

Metric	Weighting	Targets	Score
Resource Development	3.75	Increase Mineral Resource by more than 15% Increase Mineral Resource by more than 10% Increase Mineral Resource by more than 5% Increase Mineral Resource by less than 5%	3.75 2.5 1.25 0
Commencement of mining	7.5	Mining commences Mining does not commence	7.5 0
		Personal	
Personal performance	25	Exception effort and exceptional achievement Good Effort and Exceptional Achievement Good Effort and Good Achievement Average Effort and Good Achievement Average Effort and Average Achievement	25 20 15 10 5
Total	**100**		

STI outcomes

Performance against those measure is as follows for FY2021:

Name	Position	Achieved STI %	STI Awarded (i) $	Maximum potential award $
PM Cmrlec	Managing Director	61	147,000	240,000
SJ Huffadine	Director of Operations	61	110,250	180,000
SM Balloch	Chief Financial Officer	61	68,600	112,000
DW Okeby	Company Secretary	61	61,250	100,000
Total			**387,100**	**632,000**

(i) The FY2021 STI awards are to be paid in October 2021.

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 FY2021 ZEPOs were issued, being an option to acquire an ordinary share in Pantoro for a zero exercise price. In FY2020 ZEPOs were issued, being an option to acquire an ordinary share in Pantoro for a zero exercise price. As a transitional arrangement for FY2020 Executive Directors were not granted ZEPOs due to having been issued PEPOs in July 2019 (expense recognised from 30 May 2019). In addition for the FY2020 transitional year, other executives were granted a single tranche of PEPOs with a one year service condition.
Are options eligible for dividends?	Executives are not eligible to receive dividends on unvested options.

5. EXECUTIVE REMUNERATION (CONTINUED)

***Long Term Incentive (LTI) arrangements** (Continued)*

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 50% (FY2020: 50%) for the Executive Directors and 40% (FY2020: 40%) for the other executives. The number of options granted were determined using the fair value at the date of grant using a Black and Scholes or Monte Carlo valuation model as appropriate, taking into account the terms and conditions upon which the options were granted.
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 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 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. The options have been issued in two tranches. **Tranche 1** The service condition requires: • Continued employment for the one-year period from 1 July 2020 to 30 June 2021. The performance condition comprises the following: • Relative Total Shareholder Returns (50%); and • Absolute Share Price Performance (50%). **Tranche 2** The service condition requires: • Continued employment for the two-year period from 1 July 2020 to 30 June 2022. The performance condition comprises the following: • Relative Total Shareholder Returns (50%); and • Absolute Share Price Performance (50%).

How is performance measured? (continued)

Relative Total Shareholder Return Performance Condition

Total Shareholder Return (**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

Absolute Share Price Performance (**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

Tranche 1

The measurement date is 1 July 2021 unless otherwise determined by the Board.

Tranche 2

The measurement date is 1 July 2022 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

5. EXECUTIVE REMUNERATION (CONTINUED)

***Long Term Incentive (LTI) arrangements** (Continued)*

When is performance measured? (continued)	**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 2021

The actual remuneration earned by executives in the year ended 30 June 2021 is set out in Table 1. This provides shareholders with a view of the remuneration paid to executives for performance in FY2021 year.

COVID-19 imposed restrictions throughout the year required some short term changes to the Halls Creek and Norseman projects workforce travel and roster arrangements these did not have a significant impact on the business and therefore has not impacted the variable remuneration of KMP.

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 FY2021 are to be paid in October 2021, but have been disclosed in Table 1.

LTI performance and outcomes

ZEPOs granted in FY2021 will be subject to performance hurdles and issued in two tranches. Tranche 1 has a one year vesting period ending in July 2021 and Tranche 2 has a two year vesting period ending in July 2022.

Executive directors were granted 2,062,864 FY2021 ZEPOs in October 2020 and other executives were granted 1,041,256 ZEPOs in November 2020 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 with the remaining 50% to vest in FY2022.

Other Executive were granted a total 1,000,000 PEPOs and 1,021,876 ZEPO's in November 2019 under the Incentive Options and Performance Rights Scheme. In FY2021 all PEPOs vested and tranche 1 of the ZEPOs was tested against performance hurdles resulting in 440,684 vesting and the cancelation of 70,254. Tranche 2 of the ZEPOs will be tested in FY2022.

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

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 2021	30 June 2020(2)	30 June 2019(3)	30 June 2018	30 June 2017
Closing share price	$0.20	$0.27	$0.20	$0.30	$0.25
Profit/(loss) per share (cents)	0.90	(2.49)	0.10	1.76	(2.15)
Net tangible assets per share (cents)(1)	11.05	7.61	9.33	5.75	3.84
Total Shareholder Returns	-25%	33%	-33%	20%	92%
Dividends	-	-	-	-	-

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

(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	9.5% to a maximum of $25,000	6 months	6 months base salary
SJ Huffadine (Operations Director)	360,000	9.5% to a maximum of $25,000	6 months	6 months base salary
SM Balloch (Chief Financial Officer)	280,000	9.5%	3 months	3 months base salary
DW Okeby (Company Secretary	250,000	9.5%	3 months	3 months base salary

* Represents payments in relation to 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 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 [5]	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.

(5) Mr Zekulich was appointed 2 October 2019.

Table 2: Remuneration for the year ended 30 June 2020

2020	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	75,000	25,001	40,106	110,782	730,889	10
Kyle Edwards	65,000	-	6,175	-	36,927	108,102	-
Scott Huffadine	360,000	75,000	24,999	28,400	110,782	599,181	13
Michael Jefferies	60,000	-	5,700	-	-	65,700	-
Wayne Zekulich [3]	65,000	-	6,175	-	-	71,175	-
	1,030,000	150,000	68,050	68,506	258,491	1,575,047	
Other key management personnel							
Scott Balloch	279,563	34,000	26,559	12,276	61,666	414,064	17
David Okeby [4]	156,725	15,000	11,236	9,726	56,340	249,027	18
	436,288	49,000	37,795	22,002	118,006	663,091	
Total	1,466,288	199,000	105,845	90,508	376,497	2,238,138	

(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 Zekulich was appointed 2 October 2019.

(4) Mr Okeby became an employee of Pantoro Ltd on 23 December 2019. Prior to this Mr Okeby was an employee of Westgold Resources Ltd and his services were invoiced under a service agreement to Pantoro Ltd. Amounts invoiced to Pantoro Ltd by Westgold Resources Ltd are included in the salary and fees amount. The amount shown in the options column relates to options issued directly to Mr Okeby.

7. EXECUTIVE EMPLOYMENT ARRANGEMENTS (CONTINUED)

The remuneration detailed in table 3 represents the KMP's "take home pay" and is aligned to the current reporting period, and therefore 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.

Table 3: 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.

Table 4: Take home pay for the year ended 30 June 2020

2020	Salary and fees	STI bonus	Superannuation	Leave[1]	Exercise of Options [2]	Total
Directors						
Paul Cmrlec	480,000	75,000	25,001	36,915	-	616,916
Kyle Edwards	65,000	-	6,175	-	-	71,175
Scott Huffadine	360,000	75,000	24,999	13,839	-	473,838
Michael Jefferies	60,000	-	5,700	-	-	65,700
Wayne Zekulich [3]	65,000	-	6,175	-	-	71,175
	1,030,000	150,000	68,050	50,754	-	1,298,804
Other key management personnel						
Scott Balloch	279,563	34,000	26,559	9,561	-	349,683
David Okeby [4]	156,725	15,000	11,236	9,096	-	192,057
	436,288	49,000	37,795	18,658	-	541,741
Total	1,466,288	199,000	105,845	69,412	-	1,840,545

(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 Zekulich was appointed 2 October 2019.

(4) Mr Okeby became an employee of Pantoro Ltd on 23 December 2019. Prior to this Mr Okeby was an employee of Westgold Resources Ltd and his services were invoiced under a service agreement to Pantoro Ltd. Amounts invoiced to Pantoro Ltd by Westgold Resources Ltd are included in the salary and fees amount. The amount shown in the options column relates to options issued directly to Mr Okeby.

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 2021 financial year.

2021	Granted Number	Grant Date	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	500,000	-
S Balloch-ZEPOs	138,282	4/10/19	0.096	13,275	Nil	1/7/20	30/6/22	138,282	-
S Balloch-ZEPOs	138,282	4/10/19	0.069	9,541	Nil	1/7/20	30/6/22	100,254	38,028
S Balloch-ZEPOs	138,282	4/10/19	0.113	15,626	Nil	1/7/21	30/6/23	-	-
S Balloch-ZEPOs	138,282	4/10/19	0.094	12,998	Nil	1/7/21	30/6/23	-	-
S Balloch-ZEPOs	137,524	16/11/20	0.046	6,326	Nil	1/7/21	30/6/23	-	-
S Balloch-ZEPOs	137,524	16/11/20	0.043	5,914	Nil	1/7/21	30/6/23	-	-
S Balloch-ZEPOs	137,524	16/11/20	0.078	10,727	Nil	1/7/21	30/6/24	-	-
S Balloch-ZEPOs	137,524	16/11/20	0.080	11,002	Nil	1/7/21	30/6/24	-	-
P Cmrlec-PEPOs	1,500,000	1/7/19	0.0541	81,106	0.240	4/7/20	4/7/22	1,500,000	-
P Cmrlec-PEPOs	1,500,000	1/7/19	0.0516	77,411	0.250	4/7/21	4/7/22	-	-
P Cmrlec-ZEPOs	294,695	16/10/20	0.055	16,208	Nil	1/7/21	30/6/23	-	-
P Cmrlec-ZEPOs	294,695	16/10/20	0.042	12,377	Nil	1/7/21	30/6/23	-	-
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	-	-
K Edwards-PEPOs	500,000	1/7/19	0.0541	27,035	0.240	4/7/20	4/7/22	500,000	-
K Edwards-PEPOs	500,000	1/7/19	0.0516	25,804	0.250	4/7/21	4/7/22	-	-
S Huffadine-PEPOs	1,500,000	1/7/19	0.0541	81,106	0.240	4/7/20	4/7/22	1,500,000	-
S Huffadine-PEPOs	1,500,000	1/7/19	0.0516	77,411	0.250	4/7/21	4/7/22	-	-
S Huffadine-ZEPOs	221,021	16/10/20	0.055	12,156	Nil	1/7/21	30/6/23	-	-
S Huffadine-ZEPOs	221,021	16/10/20	0.042	9,283	Nil	1/7/21	30/6/23	-	-
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	-	-
D Okeby-PEPOs	500,000	4/10/19	0.0721	36,050	0.205	8/11/20	8/11/22	500,000	-
D Okeby-ZEPOs	117,187	4/10/19	0.096	11,250	Nil	1/7/20	30/6/22	117,187	-
D Okeby-ZEPOs	117,188	4/10/19	0.069	8,086	Nil	1/7/20	30/6/22	84,961	32,227
D Okeby-ZEPOs	117,187	4/10/19	0.113	13,242	Nil	1/7/21	30/6/23	-	-
D Okeby-ZEPOs	117,188	4/10/19	0.094	11,016	Nil	1/7/21	30/6/23	-	-
D Okeby-ZEPOs	122,790	16/11/20	0.046	5,648	Nil	1/7/21	30/6/23	-	-
D Okeby-ZEPOs	122,790	16/11/20	0.043	5,280	Nil	1/7/21	30/6/23	-	-
D Okeby-ZEPOs	122,790	16/11/20	0.078	9,578	Nil	1/7/21	30/6/24	-	-
D Okeby-ZEPOs	122,790	16/11/20	0.080	9,823	Nil	1/7/21	30/6/24	-	-

For details on the valuation of the options, including models and assumptions used, please refer to note 25 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 2021 is $110,000.

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 2021	Balance at beginning of year or on appointment	Granted during the year as Compensation	Expired during the year	Exercised during the year	Balance at end of year	Vested and exercisable at the end of the year
Directors						
Paul Cmrlec	3,000,000	1,178,780	-	-	4,178,780	1,500,000
Kyle Edwards	1,000,000	-	-	-	1,000,000	500,000
Scott Huffadine	3,000,000	884,084	-	-	3,884,084	1,500,000
Michael Jefferies	-	-	-	-	-	-
Fiona Van Maanen	-	-	-	-	-	-
Wayne Zekulich	-	-	-	-	-	-
Key management personnel						
Scott Balloch	1,053,126	550,096	38,028	238,536	1,326,659	500,000
David Okeby	968,750	491,160	32,227	202,148	1,225,535	500,000
Total	**9,021,876**	**3,104,120**	**70,255**	**440,684**	**11,615,058**	**4,500,000**

8. ADDITIONAL STATUTORY DISCLOSURES (CONTINUED)

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. 440,684 shares were issued on the vesting and exercise of remuneration options (2020: nil).

30 June 2021	Balance at start of year	Acquired during the year	Disposed during the year	Exercise of options	Other changes during the year	Balance at the end of the year
Directors						
Paul Cmrlec	7,798,992	167,963	-	-	-	7,966,955
Kyle Edwards	75,000	33,593	-	-	-	108,593
Scott Huffadine	2,850,962	83,982	-	-	-	2,934,944
Michael Jefferies	432,820	-	-	-	(432,820)	-
Fiona Van Maanen	50,000	50,389	-	-	-	100,389
Wayne Zekulich	184,172	200,777	-	-	-	384,949
Key management personnel						
Scott Balloch	524,450	-	-	238,536	-	762,986
David Okeby	700,000	100,777	-	202,148	-	1,002,925
Total	**12,616,396**	**637,481**	**-**	**440,684**	**(432,820)**	**13,261,741**

Loans to key management personnel and their related parties

There were no loans to key management personnel during the years ended 30 June 2021 and 30 June 2020.

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 2021 and 30 June 2020.

END OF THE AUDITED REMUNERATION REPORT

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	12	12	-	-	-	-
K Edwards	13	13	2	2	4	4
S Huffadine	12	12	-	-	-	-
M Jefferies [(1)]	2	2	-	-	-	-
F Van Maanen	11	11	2	2	4	4
W Zekulich	13	13	2	2	4	4

(1) Mr Jefferies resigned 4 August 2020.

COMMITTEE MEMBERSHIP

The company established an Audit and Risk Committee and a Remuneration Committee of the Board of Directors on 14 August 2020.

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.

DIRECTORS' REPORT (CONTINUED)

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	$17,500
Indirect tax services	$22,500

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2021 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.

P.M.

Paul Cmrlec
Managing Director
Dated 24 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Building a better working world

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 2021, 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; and

b. No contraventions of 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
24 September 2021

PT:DA:PANTORO:008

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 Jun 21 $	30 Jun 20 $
Revenue	6	87,790,363	82,135,369
Cost of sales	7(a)	(69,879,462)	(90,406,272)
Gross profit/(loss)		**17,910,901**	**(8,270,903)**
Other income	6	291,619	627,652
Administration and other expenses	7(b)	(3,967,456)	(3,189,153)
Finance costs	7(c)	(1,265,094)	(1,802,923)
Care and maintenance costs	7(d)	(818,825)	(948,966)
Impairment loss on non-financial assets	35	-	(15,200,000)
Exploration and evaluation expenditure written off		(147,219)	(390,537)
Profit/(loss) before income tax		12,003,926	(29,174,830)
Income tax expense	8	-	-
Profit/(loss) after income tax		12,003,926	(29,174,830)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		-	(1,308)
Other comprehensive loss for the year, net of tax		-	(1,308)
Total comprehensive profit/(loss) for the year, net of tax		12,003,926	(29,176,138)
Earnings per share attributable to the ordinary equity holders of the parent (cents per share)			
Basic profit/(loss) per share (cents per share)	10	0.87	(2.49)
Diluted profit/(loss) per share (cents per share)	10	0.87	(2.49)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30 Jun 21 $	30 Jun 20 $
CURRENT ASSETS			
Cash and cash equivalents	11	47,382,063	22,492,639
Trade and other receivables	12	1,292,052	1,121,539
Inventories	13	4,699,940	3,595,954
Prepayments	14	865,590	768,983
Total current assets		**54,239,645**	**27,979,115**
NON-CURRENT ASSETS			
Property, plant and equipment	15, 35	42,660,297	31,585,859
Exploration and evaluation expenditure	16, 35	84,889,989	83,927,367
Mine properties and development costs	17, 36	39,588,657	18,903,789
Total non-current assets		**167,138,943**	**134,417,015**
TOTAL ASSETS		**221,378,588**	**162,396,130**
CURRENT LIABILITIES			
Trade and other payables	18	13,719,206	16,149,961
Provisions	19	1,587,912	1,525,866
Interest-bearing loans and borrowings	3, 20	6,262,822	5,049,666
Deferred consideration	22	10,000,000	4,995,761
Total current liabilities		**31,569,940**	**27,721,254**
NON-CURRENT LIABILITIES			
Provisions	19	20,516,732	26,218,078
Interest-bearing loans and borrowings	3, 20	13,560,147	9,334,980
Deferred consideration	22	-	9,606,090
Total non-current liabilities		**34,076,879**	**45,159,148**
TOTAL LIABILITIES		**65,646,819**	**72,880,402**
NET ASSETS		**155,731,769**	**89,515,728**
EQUITY			
Issued capital	23	299,808,987	246,503,884
Reserves	24	8,933,725	8,026,713
Accumulated losses		(153,010,943)	(165,014,869)
TOTAL EQUITY		**155,731,769**	**89,515,728**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 Jun 21 $	30 Jun 20 $
CASH FLOWS USED IN OPERATING ACTIVITIES			
Receipts from customers		87,790,363	82,135,369
Payments to suppliers and employees		(53,438,919)	(62,284,642)
Payments for rehabilitation		(394,181)	-
Interest paid		(633,662)	(1,013,458)
Interest received		139,449	488,839
Other income		152,170	138,813
Proceeds from security deposits		3,300	24,700
Net cash flows from operating activities	11	33,618,520	19,489,621
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment		(11,688,487)	(2,719,067)
Payments for exploration and evaluation		(22,100,017)	(18,412,769)
Payments for mine properties and development		(15,442,239)	(15,905,990)
Proceeds from sale of property, plant and equipment		580,636	45,003
Payments for acquisition of Interest in Norseman		(2,805,815)	(7,500,000)
Net cash flows used in investing activities		(51,455,922)	(44,492,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of insurance premium funding	20	(649,056)	(953,281)
Payment of principal portion of lease liabilities	21	(5,028,963)	(5,220,514)
Proceeds from share issues	23	55,500,000	-
Proceeds from exercise of options	23	100,000	-
Transaction costs on issue of shares		(2,194,897)	(25,302)
Payment of deferred consideration		(5,000,000)	-
Net cash flows from/(used in) financing activities		42,727,084	(6,199,097)
Net increase/(decrease) in cash and cash equivalents held		24,889,682	(31,202,298)
Net foreign exchange differences		(258)	(1,251)
Cash and cash equivalents at the beginning of the financial year		22,492,639	53,696,188
Cash and cash equivalents at the end of the financial year	11	47,382,063	22,492,639

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital	Options reserve	Share based payment reserve	Accumulated losses	Foreign currency translation reserve	Total equity
	$	$	$	$	$	$
At 1 July 2019	**229,029,186**	**4,513,958**	**3,100,739**	**(135,840,039)**	**(440,903)**	**100,362,941**
Loss for the year	-	-	-	(29,174,830)	-	(29,174,830)
Other comprehensive income, net of tax	-	-	-	-	(1,308)	(1,308)
Total comprehensive loss for the year	**-**	**-**	**-**	**(29,174,830)**	**(1,308)**	**(29,176,138)**
Shares issued during the year	17,500,000	-	-	-	-	17,500,000
Share issue costs	-	-	-	-	-	-
Share-based payments	-	-	854,227	-	-	854,227
At 30 June 2020	**246,503,884**	**4,513,958**	**3,954,966**	**(165,014,869)**	**(442,211)**	**89,515,728**

	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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 2021 was authorised for issue in accordance with a resolution of the directors on 24 September 2021.

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 authoritive 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 2020. The accounting policies adopted are consistent with those of the previous financial year.

The new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2020 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.

Other potential accounting policy changes

AASB 102 Inventories – Costs necessary to sell Inventories

In June 2021, IFRIC published an agenda decision in relation to the accounting treatment when determining net realisable value (NRV) of inventories, in particular what costs are necessary to sell inventories under IAS 2 Inventories.

The Group is currently assessing the impact the agenda decision will have on its current accounting policy and whether an adjustment to inventory may be necessary. Accordingly, a reliable estimate of the impact of the IFRIC agenda decision on the Group cannot be made at the date of this report.

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

Revenue from contracts with customers

Judgment is required to determine the point at which the customer obtains control of gold. Factors including transfer of legal title, transfer of significant risks and rewards of ownership and the existence of a present right to payment for the gold typically result in control transferring on delivery of the gold.

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.

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

Significant judgements (Continued)

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 do not require unanimous consent and therefore does not meet the definition of a joint arrangement.

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 as disclosed in note 35.

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.

Significant accounting estimates and assumptions

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 restated.

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.

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. Refer to note 5(k) for further discussion on the impairment assessment process undertaken by the Group.

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.

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

Significant accounting estimates and assumptions (Continued)

Mine rehabilitation provision

The Group assesses its mine rehabilitation provisions on an annual basis in accordance with the accounting policy stated in note 5(n). 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	0.52%	1.165%
Inflation rate	2.20%	2.20%
Expected timing of rehabilitation activities	4 years	7 years

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 2021, no 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 2021 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(d) 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, and bank overdrafts.

(e) 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.

(f) 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

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(h) 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.

(i) 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(k) for further discussion on impairment testing performed by the Group.

(j) 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).

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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. In determining FVCLD, 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.

(l) 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.

(m) 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:

- Included 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.

(n) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions (continued)

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.

(o) 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.

(p) 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.

(q) Interest revenue

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

(r) 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.

(s) 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.

(t) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

(u) 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.

(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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 25.

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.

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.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	2021 $	2020 $
Revenue from contracts with customers		
Sale of gold under forward contracts	-	35,452,000
Sale of gold at spot	87,356,504	46,309,847
Sale of silver	433,859	373,522
Total revenue from contracts with customers	87,790,363	82,135,369
Other income		
Interest revenue calculated using the effective interest rate method	139,449	488,839
Other income	152,170	138,813
Total other income	**291,619**	**627,652**

7. EXPENSES

		2021 $	2020 $
(a)	**Cost of Sales**		
	Salaries, wages expense and other employee benefits	(15,640,178)	(17,831,200)
	Superannuation	(1,277,347)	(1,455,817)
	Short term lease expenses	(242,250)	(144,750)
	Other production costs net of inventory movements	(29,847,283)	(39,812,776)
	Royalties	(2,023,990)	(2,172,632)
	(Write down)/reversal in value of inventories to estimated net realisable value	(707,376)	143,273
	Depreciation and amortisation expense		
	Plant and equipment	(3,099,018)	(2,877,630)
	Buildings	(121,498)	(110,041)
	Mine properties and development costs	(11,794,221)	(20,617,776)
	Right of use assets	(5,126,301)	(5,526,923)
	Total cost of sales	(69,879,462)	(90,406,272)
(b)	**Other Expenses**		
	Administration Expenses		
	Salaries, wages expense and other employee benefits	(1,212,528)	(1,024,332)
	Superannuation	(99,259)	(83,853)
	Directors' fees and other benefits	(276,065)	(220,748)
	Share-based payments	(364,801)	(854,227)
	Consulting expenses	(376,066)	(357,855)
	Travel and accommodation expenses	(35,682)	(46,881)
	Administration costs	(655,745)	(624,913)
	Depreciation expense		
	Depreciation of non-current assets		
	Property, plant and equipment	(20,376)	(17,209)
	Right of use assets	(62,326)	(62,815)
	Total administration expenses	(3,102,848)	(3,292,833)
	Other expenses		
	Foreign exchange gain	-	444
	Elimination of foreign currency translation reserve	(442,938)	-
	Net loss on disposal of property, plant and equipment	(78,633)	(21,709)
	Non-production rehabilitation	(343,037)	-
	Gain on right-of-use lease terminations	-	124,945
		(864,608)	103,680
	Total other expenses	(3,967,456)	(3,189,153)

(c) Finance costs

	2021 $	2020 $
Interest	(19,733)	(38,020)
Interest on lease liabilities	(613,929)	(975,438)
Unwinding of rehabilitation provision discount	(233,283)	(264,094)
Unwinding of deferred consideration discount	(398,149)	(525,371)
Total finance costs	(1,265,094)	(1,802,923)

(d) Care and maintenance costs

	2021 $	2020 $
Depreciation of non-current assets:		
Property, plant and equipment	(590,072)	(708,256)
Buildings	(228,753)	(240,710)
Total care and maintenance costs	(818,825)	(948,966)

8. INCOME TAX

(a) Major components of income tax expense:

	2021 $	2020 $
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:

	2021 $	2020 $
Accounting profit before tax from continuing operations	12,003,926	(29,174,830)
Total accounting profit before income tax	12,003,926	(29,174,830)
At statutory income tax rate of 30% (2020: 30%)	3,601,178	(8,752,449)
Non-deductible items		
Share based payments	109,440	256,268
Other non-deductible items	1,249,609	540
Deductible items	(338,131)	(2,743,852)
Deferred tax assets (recognised)/derecognised in the current year	(4,622,096)	11,239,493
Income tax benefit reported in the statement of comprehensive income	-	-

8. INCOME TAX (CONTINUED)

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

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	2021	2020	2021	2020
Deferred tax liabilities				
Exploration	(13,168,794)	(6,948,285)	(13,168,794)	5,915,024
Deferred mining	(6,265,539)	(3,703,289)	(6,265,539)	(6,558,900)
Mine properties & development	(921,936)	(112,159)	809,777	28,454
Rehabilitation asset	(450,920)	(503,593)	(52,673)	(242,745)
Consumables	(562,064)	(546,420)	15,644	131,734
Prepayments	(106,677)	(102,415)	4,262	(25,656)
Diesel rebate	(80,854)	(86,622)	(5,768)	(5,831)
Property, plant and equipment	(5,386,101)	(2,511,891)	2,874,210	2,511,891
Gross deferred tax liabilities	**(26,942,885)**	**(14,514,674)**		
Deferred tax assets				
Property, plant and equipment	-	-	-	1,286,493
Financial assets	24,015	24,015	-	24,777
Accrued expenses	12,861	23,634	10,773	(5,726)
Provision for employee entitlements	752,346	659,618	(92,728)	(87,160)
Provision for fringe benefits tax	1,279	1,168	(111)	(1,120)
Lease liabilities	5,834,942	4,166,255	(1,668,687)	(4,166,255)
Provision for rehabilitation	1,544,290	1,531,553	(12,737)	(71,668)
Recognised tax losses	18,773,152	8,108,431	(10,664,721)	1,266,688
Gross deferred tax assets	**26,942,885**	**14,514,674**		
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. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. 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 2021, there are unrecognised deferred tax assets (on Australian tax losses) of $8,942,371 for the Group (2020: $17,804,158) and unrecognised deferred tax assets (on temporary differences relating to blackhole expenditure) of $536,600 (2020: $24,733).

9. AUDITORS' REMUNERATION

	2021 $	2020 $
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	122,368	145,656
Fees for other services - Tax compliance	17,500	42,263
Fees for other services - Indirect tax review	22,500	-
Total auditor's remuneration	162,368	187,919
Fees to Sinton Spence Chartered Accountants (PNG)		
Fees for auditing the statutory financial report of controlled entity Pacific Niugini Minerals (PNG) Ltd	3,147	5,406
Fees for other services - Tax compliance	3,722	1,481
Total auditor's remuneration	6,869	6,887

10. EARNINGS PER SHARE

	2021 $	2020 $
Net profit/(loss) attributable to ordinary equity holders	12,003,926	(29,174,830)
Net profit/(loss) attributable to ordinary shareholders for diluted earnings per share	12,003,926	(29,174,830)
Basic profit/(loss) per share (cents)	0.87	(2.49)
Diluted profit/(loss) per share (cents)	0.87	(2.49)
Weighted average number of ordinary shares for basic earnings per share	1,376,929,682	1,173,484,913
Effect of dilution:		
Share options	8,643,511	-
Weighted average number of ordinary shares adjusted for the effect of dilution	1,385,573,193	1,173,484,913

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 2021, 7,000,000 (2020: 22,791,876) 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

	2021 $	2020 $
Cash at bank	47,382,063	22,492,639
Total	47,382,063	22,492,639
- Refer to note 31 for credit risk disclosures		
Reconciliation of the net profit after tax to net cash flows from operations		
Profit after tax	12,003,926	(29,174,830)
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	21,042,565	30,161,360
Impairment loss on assets	-	15,200,000
Share-based payments	364,801	854,227
Unrealised foreign exchange difference	(593)	(59)
Exploration and evaluation expenditure written off	147,219	390,537
Loss on disposal of property, plant and equipment	78,633	21,709
Gain on right-of-use lease terminations	-	(124,945)
Unwinding rehabilitation provision	233,283	264,094
Unwinding deferred consideration discount	398,149	525,371
Elimination of foreign currency translation reserve	442,938	-
Working capital adjustments:		
Decrease in receivables	265,968	927,008
(Increase)/decrease in inventories	(1,103,986)	650,661
(Decrease) in trade and other payables	(176,228)	(467,621)
(Decrease)/increase in provisions	(78,155)	262,109
Net cash from operating activities	**33,618,520**	**19,489,621**

12. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Statutory receivables (i)	883,195	1,016,170
Other debtors (ii)	356,757	44,948
Security bonds (iii)	52,100	60,421
	1,292,052	1,121,539

(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 2021. The Group has assessed the probability of default as low and the ECL insignificant.

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

(iv) - All trade and other receivables are classed as recoverable in full. Refer to note 31 for credit risk disclosures.

13. INVENTORIES

	2021 $	2020 $
Ore stocks at net realisable value	1,155,963	535,223
Gold in circuit at cost	1,568,588	1,151,504
Gold in transit at cost	101,841	87,827
Stores and spares at cost	1,959,478	1,835,135
Provision for obsolete stores and spares	(85,930)	(13,735)
	4,699,940	3,595,954

During the year there were write downs in inventories to net realisable value of $707,376 (2020: reversal of write downs $143,273) from continuing operations for the Group. This is included in cost of sales refer to note 7(a).

14. PREPAYMENTS

	2021 $	2020 $
Current		
Prepayments (i)	865,590	768,983
	865,590	768,983

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

15. PROPERTY, PLANT AND EQUIPMENT

	2021 $	2020 $
Plant and equipment		
Gross carrying amount - at cost	25,140,367	24,999,947
Accumulated depreciation	(12,140,413)	(8,920,012)
Net carrying amount	12,999,954	16,079,935
Land and buildings		
Gross carrying amount - at cost	1,812,383	1,986,883
Accumulated depreciation	(868,669)	(593,963)
Net carrying amount	943,714	1,392,920
Right of use assets		
Gross carrying amount - at cost	21,960,205	17,486,108
Accumulated amortisation	(2,958,303)	(3,878,831)
Net carrying amount (refer to note 21)	19,001,902	13,607,277
Capital work in progress at cost	9,714,727	505,727
Total property, plant and equipment	42,660,297	31,585,859
Movement in property, plant and equipment		
Plant and equipment		
Net carrying amount at 1 July	16,079,935	14,104,712
Transfer from capital work in progress	1,189,799	2,054,765
Acquisition of Norseman Gold Project (50%)	-	3,590,265
Disposals	(560,313)	(66,712)
Depreciation charge for the year	(3,709,466)	(3,603,095)
Net carrying amount at 30 June	12,999,955	16,079,935
Land and buildings		
Net carrying amount at 1 July	1,392,920	483,248
Transfer from capital work in progress	-	90,422
Acquisition of Norseman Gold Project (50%)	-	1,170,000
Disposals	(98,956)	-
Depreciation charge for the year	(350,251)	(350,750)
Net carrying amount at 30 June	943,713	1,392,920
Capital works in progress		
At 1 July	505,727	1,733,477
Additions	11,688,487	2,719,067
Transfer to mine properties and development	(1,289,688)	(1,801,630)
Transfer to plant and equipment	(1,189,799)	(2,054,765)
Transfer to land and buildings	-	(90,422)
At 30 June	9,714,727	505,727

16. EXPLORATION AND EVALUATION EXPENDITURE

	2021 $	2020 $
Opening balance at 1 July	83,927,367	4,149,862
Expenditure for the year	22,100,017	18,412,769
Transfer from prepayments	-	1,642,417
Acquisition of Norseman Gold Project (50%)	550,075	60,154,848
Exploration and evaluation expenditure impaired	(147,093)	(390,537)
Transfer to mine properties and development	(15,543,807)	-
Rehabilitation provision change in conditions	(5,996,570)	-
Adjustments to rehabilitation provision for relinquished tenements	-	(41,992)
Closing balance at 30 June	84,889,989	83,927,367

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 $147,093 (2020: $390,537) was written off.

During the year, the Company transferred exploration and evaluation assets of $15,541,867 associated with the Norseman Gold Project to mine properties. The Norseman Gold Project exploration and evaluation assets were reclassified to mine properties as the definitive feasibility study (DFS) was completed showing commercial viability and a decision has been made to construct a new processing plant and commence mining pending approvals. The assets transferred were the initial resources to be mined as per the DFS. Prior to reclassification to mine properties, the Norseman Gold Project exploration and evaluation assets were assessed for impairment using a discounted cashflow model which factored in outcomes from the DFS, with no impairment loss recognised.

17. MINE PROPERTIES AND DEVELOPMENT COSTS

	2021 $	2020 $
Mine properties and development		
Gross carrying amount - at cost	139,290,359	106,811,271
Accumulated amortisation and impairment	(99,701,703)	(87,907,482)
Net carrying amount	39,588,656	18,903,789
Net carrying amount at 1 July	18,903,789	36,997,155
Expenditure for the year	15,442,239	15,905,990
Transfer from capital work in progress (refer to note 15)	1,289,688	1,801,630
Transfer from exploration and evaluation expenditure	15,543,807	-
Impairment (refer to note 36)	-	(15,200,000)
Adjustment to rehabilitation provision for a change in conditions	203,355	16,790
Amortisation (refer to note 7(a))	(11,794,221)	(20,617,776)
Net carrying amount at 30 June	39,588,657	18,903,789

The amounts above relate to the Halls Creek and Norseman gold projects for underground and open pit mine capital development.

18. TRADE AND OTHER PAYABLES (CURRENT)

	2021 $	2020 $
Trade payables (i)	9,578,009	11,045,160
Sundry payables and accrued expenses (ii)	4,141,197	5,104,801
	13,719,206	16,149,961

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

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

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

19. PROVISIONS

	2021 $	2020 $
Current		
Provision for annual leave	1,583,650	1,521,972
Provision for fringe benefits tax payable	4,262	3,894
	1,587,912	1,525,866
Non-current		
Provision for long service leave	853,450	600,683
Provision for rehabilitation (i)	19,663,282	25,617,395
	20,516,732	26,218,078

(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.

Movements in provision for rehabilitation	2021 $	2020 $
Opening balance at 1 July	25,617,395	4,866,285
Acquisition of Norseman Gold Project (50%)	-	20,512,218
Adjustment due to revised conditions	(5,793,215)	(25,202)
Rehabilitation expenditure	(394,181)	-
Unwind of discount	233,283	264,094
Closing balance at 30 June	19,663,282	25,617,395

20. INTEREST-BEARING LOANS AND BORROWINGS

	2021 $	2020 $
Current		
Insurance premium funding	373,162	489,130
Lease liabilities (refer to note 21)	5,889,660	4,560,536
	6,262,822	5,049,666
Non-current		
Lease liabilities (refer to note 21)	13,560,147	9,334,980
	13,560,147	9,334,980

21. LEASES

Group as a lessee

The Group has lease contracts for various items of plant, machinery and commercial property used in its operations. Leases generally have lease terms between 1 month and 4 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	13,534,564	72,713	13,607,277
Additions	3,882,574	-	3,882,574
Depreciation expense	(5,126,301)	(62,326)	(5,188,627)
Adjustment to lease terms	6,700,678	-	6,700,678
As at 30 June 2021	**18,991,515**	**10,387**	19,001,902

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

	2021 $	2020 $
Lease liabilities		
Opening balance	13,895,516	43,958
Transition adjustment on 1 July 2019	-	22,169,083
Additions	3,882,574	4,216,163
Accretion of interest	613,929	975,438
Payments	(5,642,892)	(6,195,952)
Adjustment to lease terms	6,700,680	(7,313,174)
As at 30 June	**19,449,807**	**13,895,516**

The following are the amounts recognised in profit or loss:

	2021 $	2020 $
Depreciation expense of right-of-use assets	(5,188,627)	(5,589,738)
Interest expense on lease liabilities	(613,929)	(975,438)
Expense related to short-term leases (included in cost of sales)	(242,250)	(144,750)
Expense related to low-value assets (included in administration expenses)	(2,400)	(2,400)
Gain on lease terminations	-	124,945
	(6,047,206)	**(6,587,381)**

The Group had total cash payments for lease liabilities (including short-term and low value leases) of $5,887,542 (2020: $6,343,102).

22. DEFERRED CONSIDERATION

	2021 $	2020 $
Current		
Acquisition of Norseman Gold Project (50%)	10,000,000	4,995,761
	10,000,000	4,995,761
Non-current		
Acquisition of Norseman Gold Project (50%)	**-**	**9,606,090**
	-	**9,606,090**

The deferred cash payments include a $5,000,000 and $10,000,000 payable 12 and 24 months respectively after the date of acquisition (9 July 2019) adjusted for the impacts of discounting (refer to note 35). The carrying amount approximates the fair value at 30 June 2021.

23. ISSUED CAPITAL

	2021 $	2020 $
(a) Ordinary Shares		
Issued and fully paid	299,808,987	246,503,884

(b) Movements in ordinary shares on issue	**Number**	**$**
At 1 July 2019	**1,075,943,929**	**229,029,186**
Acquisition of Norseman Gold Project (50%)	100,000,000	17,500,000
Share issue costs	-	(25,302)
At 30 June 2020	**1,175,943,929**	**246,503,884**
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**

(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 performance rights outstanding

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

Type	Expiry Date	Exercise Price ($)	2021 Number	2020 Number
Unlisted options	31/03/2022	0.15	5,000,000	5,000,000
Unlisted options	31/03/2022	0.20	5,000,000	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	3,000,000	3,000,000
Unlisted options	30/06/2022	nil	-	1,395,938
Unlisted options	30/06/2023	nil	1,200,938	1,395,938
Unlisted options	30/06/2023	nil	2,328,170	-
Unlisted options	30/06/2024	nil	2,397,012	-
Total			**25,926,120**	**22,791,876**

(e) Shares issued on exercise of options

Date of option conversion	Number of options	Price per option	Expiry date	Increase in contributed equity
6 July 2020	1,035,810	-	30 Jun 22	-
16 September 2020	168,188	-	30 Jun 22	-
Total	1,203,998			-

24. RESERVES

	2021 $	2020 $
Options reserve	4,613,958	4,513,958
Share-based payment reserve	4,319,767	3,954,966
Foreign currency translation reserve	-	(442,211)
	8,933,725	8,026,713

(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.

(c) Foreign currency translation reserve

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

25. SHARE BASED PAYMENTS

(a) Recognised share-based payment expense

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

	2021 $	2020 $
Expense arising from equity-settled share-based payments	364,801	854,227

(b) Transactions settled using shares and options

On 9 July 2019, the Company completed the acquisition of a 50% interest in the Norseman Gold Project from Central Norseman Gold Corporation Pty Ltd. Consideration for the acquisition included the issue of 100,000,000 ordinary shares. The Company estimated the fair value of the assets acquired by reference to resource ounce multiples (level 3 in the fair value hierarchy). The resource ounce multiples ranged from USD 2.40/oz to USD 35.60/oz. Consequently the shares were valued by reference to resource ounce multiples. Refer to note 35 for further details.

(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. 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.

The subscription fee was paid on 14 July 2020 and options issued on 15 July 2020. At the end of the period 10,000,000 options were outstanding and exercisable.

(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 two 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 on the first or second anniversary date of their grant 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 rights/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.

	2021 Number	2021 WAEP	2020 Number	2020 WAEP
Outstanding at the beginning of the year	12,791,876	0.182	23,000,000	0.205
Expired during the year	-	-	(16,000,000)	0.188
Granted during the year	5,461,918	-	6,431,876	0.104
Forfeited during the year	(1,123,677)	-	(640,000)	0.080
Exercised during the year	(1,203,997)	-	-	-
Outstanding at the year end	15,926,120	0.146	12,791,876	0.182
Exercisable at the year end	6,500,000	0.224	-	-

25. SHARE BASED PAYMENTS (CONTINUED)

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

The outstanding balance as at 30 June 2021 is represented by the following table:

Grant Date	Vesting Date	Expiry Date	Exercise Price ($)	Options Granted	Options lapsed / cancelled	Options Exercised	Number of options at end of period On Issue	Number of options at end of period 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	-
8/11/2019	8/11/2020	8/11/2022	0.205	3,000,000	-	-	3,000,000	3,000,000
ZEPOs								
4/10/2019	1/07/2020	30/06/2022	nil	1,395,938	(191,940)	(1,203,998)	-	-
4/10/2019	1/07/2021	30/06/2023	nil	1,395,938	(195,000)	-	1,200,938	-
16/10/2020	1/07/2021	30/06/2023	nil	2,696,538	(368,368)	-	2,328,170	-
16/10/2020	1/07/2022	30/06/2024	nil	2,765,380	(368,368)	-	2,397,012	-
				18,253,794	(1,123,676)	(1,203,998)	15,926,120	6,500,000

(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 2021 is 2.40 years (2020: 2.20 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 (2020: $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 $0.065 (2020: $0.071).

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:

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

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

25. SHARE BASED PAYMENTS (CONTINUED)

Share option valuation (continued)

2020					
Type	PEPO	ZEPO		ZEPO	
Tranche	N/A	Tranche 1		Tranche 2	
Grant date	08-Nov-19	ZEPO		ZEPO	
Expected Volatility (%)	60%	Tranche 1		Tranche 2	
Risk-free interest rate (%)	0.59%	04-Oct-19		04-Oct-19	
Expected life of options (yrs)	3.0	60%		60%	
Exercise price	$0.205	0.59%		0.59%	
Share price at grant date ($)	$0.190	2.7		3.7	
Performance Condition	N/A	TSR	ASP	TSR	ASP
Fair value at grant date ($)	$0.072	$0.096	$0.069	$0.113	$0.094

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.

26. COMMITMENTS

(a) Capital commitments

At 30 June 2021, 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:

	2021 $	2020 $
- Within one year	26,787,072	64,515
(b) Mineral tenement commitments		
- Within one year	3,425,380	6,341,660
- After one year but not more than five years	11,899,840	16,043,590
- After more than five years	6,765,100	8,623,050
	22,090,320	**31,008,300**

		2021 $	2020 $
(c)	**Future lease commitments**		
	Future lease commitments after year end for non-cancellable leases not yet commenced:		
	- Within one year	43,125	84,000
	- After one year but not more than five years	414,000	84,000
	- After more than five years	8,625	-
		465,750	168,000

(d) Other commitments

The Group's royalty and production-based payments relates to the contingent consideration payable as part of the acquisition of the Norseman Gold Project as disclosed in note 35.

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Other than contingent consideration payable on asset acquisitions (refer to note 4) there are no contingent liabilities or contingent assets at balance date.

28. SUBSEQUENT EVENTS

On 9 July 2021, the Company announced the issue of 600,470 ordinary shares upon the vesting and exercise of unlisted employee options and the lapsing of 3,105,456 unlisted employee options. These unlisted employee options transactions were from tranche two of ZEPOs granted 4 October 2019 and tranche one of ZEPOs granted 16 October 2020, 16 November 2020 and 31 May 2021.

On 17 August 2021, the Company announced it has agreed to a strategic investment in Maximus Resources Limited (Maximus). The Company will participate in the two-tranche capital raising announced by Maximus to emerge with a 19.9% holding subject to Maximus shareholder approval. Tranche 1 was completed 25 August 2021 with Pantoro acquiring 3,960,530 shares at $0.068 for a total of $269,316.04.

On 13 September 2021, the Company announced a maiden Mineral Resources Estimate (MRE) and Ore Reserve for the Green Lantern deposit, part of the Scotia mining centre at the Norseman Gold Project. The MRE contained 6.8Mt @ 1.4 g/t Au for 310,000 ounces and the Ore Reserve contained 2.65Mt @ 1.3g/t for 110,000 ounces.

On 23 September 2021, the Company announced it had secured a A$30 million finance facility from Global Credit Investments (GCI). Key terms of the facility are:

- Agreed margin – 7% per annum on the outstanding loan balance.
- Term – 3 years, amortising over the last 18 months of the loan.
- Secured over the assets of Pantoro and Halls Creek Mining Pty Ltd.
- GCI to be issued 36,363,363 unlisted options with an exercise price of $0.275 per share that will expire 36 months from issue date.
- Final conditions precedent which are administrative in nature are required to be satisfied before draw down under the facility can occur.

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

29. 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.

	2021 $	2020 $
Current assets	40,110,366	17,850,650
Non-current assets	102,611,335	75,584,233
Total assets	142,721,701	93,434,883
Current liabilities	2,445,937	4,533,861
Non-current liabilities	11,152,950	11,163,699
Total liabilities	13,598,887	15,697,560
Net assets	129,122,814	77,737,323
Issued capital	299,808,987	246,503,884
Accumulated losses	(179,619,898)	(177,235,485)
Option premium reserve	4,613,958	4,513,958
Share-based payments reserve	4,319,767	3,954,966
Total shareholders' equity	129,122,814	77,737,323
Net loss of the parent entity	2,384,413	2,551,869
Total comprehensive income for the year	2,384,413	2,551,869

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 30.

Contingent liabilities of the parent entity

Nil

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

Nil

30. DEED OF CROSS GUARANTEE

The subsidiaries identified with a '*' in note 33 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 2021 $	Deed 2020 $
Revenue	87,790,363	82,135,369
Cost of sales	(69,879,462)	(90,406,272)
Gross profit/(loss)	**17,910,901**	**(8,270,903)**
Other income	291,616	627,635
Other expenses	(3,515,926)	(3,188,860)
Finance costs	(1,265,094)	(1,802,923)
Care and maintenance costs	(818,825)	(948,966)
Impairment recognised	(8,607)	(15,217,000)
Exploration and evaluation expenditure written off	(147,219)	(390,537)
Profit/(loss) before income tax	**12,446,846**	**(29,191,554)**
Income tax expense	-	-
Profit/(loss) after income tax	**12,446,846**	**(29,191,554)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	-	-
Other comprehensive profit for the year, net of tax	**-**	**-**
Total comprehensive profit/(loss) for the year, net of tax	**12,446,846**	**(29,191,554)**
Summary of movements in retained earnings		
Retained earnings at the beginning of the year	(176,610,739)	(147,419,185)
Profit/(loss) for the year	12,446,846	(29,191,554)
At 30 June	(164,163,893)	(176,610,739)

30. DEED OF CROSS GUARANTEE (CONTINUED)

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 2021 $	Deed 2020 $
CURRENT ASSETS		
Cash and cash equivalents	47,382,063	22,490,813
Trade and other receivables	1,292,052	1,114,043
Inventories	4,699,940	3,595,954
Prepayments	865,589	768,908
Total current assets	**54,239,644**	**27,969,718**
NON-CURRENT ASSETS		
Property, plant and equipment	42,660,297	31,585,859
Exploration and evaluation expenditure	84,889,989	83,927,367
Mine properties and development costs	39,588,657	18,903,789
Total non-current assets	**167,138,943**	**134,417,015**
TOTAL ASSETS	**221,378,587**	**162,386,733**
CURRENT LIABILITIES		
Trade and other payables	13,719,205	16,141,273
Provisions	1,587,912	1,525,866
Interest-bearing loans and borrowings	6,262,822	5,049,666
Deferred Consideration	10,000,000	4,995,761
Total current liabilities	**31,569,939**	**27,712,566**
NON-CURRENT LIABILITIES		
Other Payables	11,152,950	11,152,950
Provisions	20,516,732	26,218,078
Interest-bearing loans and borrowings	13,560,147	9,334,980
Deferred Consideration	-	9,606,090
Total non-current liabilities	**45,229,829**	**56,312,098**
TOTAL LIABILITIES	**76,799,768**	**84,024,664**
NET ASSETS	**144,578,819**	**78,362,069**
EQUITY		
Issued capital	299,808,987	246,503,884
Reserves	8,933,725	8,468,924
Accumulated losses	(164,163,893)	(176,610,739)
TOTAL EQUITY	**144,578,819**	**78,362,069**

31. 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 2021, 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	
		2021	2020
Financial assets at amortised cost	**Note**	$	$
Cash and cash equivalents	11	47,382,063	22,492,639
Other receivables	12	701,425	105,369

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.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group's external borrowings are only in relation to its insurance premium funding facilities as disclosed in note 20.

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

	<6 months	6-12 months	1-5 years	>5 years	Total
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)**
2020					
Financial liabilities					
Trade and other payables	(16,149,961)	-	-	-	(16,149,961)
Interest bearing liabilities (excluding leases)	(432,083)	(72,014)	-	-	(504,097)
Lease liabilities	(2,583,906)	(2,569,070)	(9,828,424)	-	(14,981,400)
Deferred consideration	(5,000,000)	-	(10,000,000)	-	(15,000,000)
	(24,165,950)	**(2,641,084)**	**(19,828,424)**	**-**	**(46,635,458)**

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 20. The Group's policy is to manage its interest cost using fixed rate debt. Therefore, the Group does not have any variable interest rate risk on its debt. 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.

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**

2020	Floating interest rate	Fixed interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	22,492,639	-	-	22,492,639
Trade and other receivables	-	-	105,369	105,369
	22,492,639	**-**	**105,369**	**22,598,008**
Financial liabilities				
Trade and other payables	-	-	(16,149,961)	(16,149,961)
Interest-bearing liabilities	-	(14,384,646)	-	(14,384,646)
Deferred consideration	-	(14,601,851)	-	(14,601,851)
	-	**(28,986,497)**	**(16,149,961)**	**(45,136,458)**
Net financial liabilities				**(22,538,450)**

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.

The 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.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Changes in liabilities arising from financing activities

	1 July 2020	Cash flows	Additions	Lease 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	4,995,761	(5,000,000)	4,239	-	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	**28,986,497**	**(10,678,019)**	**4,813,811**	**6,700,680**	**-**	**29,822,969**

	30 June 2019	Adoption of AASB 16	1 July 2019	Cash flows	Additions	Lease terminations	Reclassification adjustment	30 June 2020
Current obligations under leases	35,958	5,256,371	5,292,329	(5,220,514)	1,274,281	(2,114,219)	5,328,659	4,560,536
Current obligations under insurance premium funding	743,655	-	743,655	(953,281)	698,756	-	-	489,130
Current obligations for deferred considerations	-	-	-	-	4,995,761	-	-	4,995,761
Non-current obligations for deferred considerations	-	-	-	-	9,606,090	-	-	9,606,090
Non-current obligations under leases	8,000	16,912,712	16,920,712	-	2,941,882	(5,198,955)	(5,328,659)	9,334,980
Total liabilities from financing activities	**787,613**	**22,169,083**	**22,956,696**	**(6,173,795)**	**19,516,770**	**(7,313,174)**	**-**	**28,986,497**

32. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments determined by the location of the operation. On this basis the Group's reportable segments are as follows:

Halls Creek Project: Mining and processing of gold

Norseman Gold Project (50%): Exploration and evaluation, progressing to mining and processing of gold

The following table presents revenue and profit information regarding the Group's operating segments for the years ended 30 June 2021 and 30 June 2020.

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	87,572,178	218,185	87,790,363
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)	16,907,113	(2,075,853)	14,831,260

Year ended 30 June 2020	**Halls Creek Project**	**Norseman Gold Project**	**Total**
Revenue			
External Customers	82,135,369	-	82,135,369
Total revenue	82,135,369	-	82,135,369
Results			
Depreciation and amortisation	(29,132,370)	(948,966)	(30,081,336)
Interest expense	(972,672)	(525,371)	(1,498,043)
Exploration and evaluation expenditure written off	(309,792)	(80,745)	(390,537)
Impairment	(15,200,000)	-	(15,200,000)
Segment loss	(24,933,585)	(286,194)	(25,219,779)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2021 and 30 June 2020.

	Halls Creek Project	**Norseman Gold Project**	**Total**
Segment Assets			
As at 30 June 2021	65,858,604	115,315,538	181,174,142
As at 30 June 2020	59,812,596	84,292,779	144,105,375

32. OPERATING SEGMENTS (CONTINUED)

	Halls Creek Project	Norseman Gold Project	Total
Segment Liabilities			
As at 30 June 2021	(35,140,439)	(28,060,443)	(63,200,882)
As at 30 June 2020	(29,461,926)	(38,865,179)	(68,327,105)

The following table presents segment capital expenditure of the Group's operating segments for the years ended 30 June 2021 and 30 June 2020.

	Halls Creek Project	Norseman Gold Project	Total
Capital Expenditure			
30 June 2021	15,564,203	33,980,620	49,544,823
30 June 2020	19,896,222	83,681,053	103,577,275

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 21 $	Jun 20 $
Segment profit	14,831,260	(26,639,685)
Corporate administration expenses	(2,498,708)	(2,194,296)
Share based payments	(364,801)	(854,227)
Corporate interest income	139,448	479,164
Gain on disposal of property, plant and equipment	361,645	-
Elimination of foreign currency translation reserve	(442,938)	-
Other income	-	75,000
Corporate interest expense	(21,980)	(40,786)
Total consolidated profit/(loss) before tax	12,003,926	(29,174,830)

Reconciliation of assets	Jun 21 $	Jun 20 $
Segment operating assets	181,174,142	144,105,375
Unallocated cash and receivables	39,817,799	17,860,047
Unallocated plant and equipment	386,647	430,708
Group operating assets	221,378,588	162,396,130

Reconciliation of liabilities	Jun 21 $	Jun 20 $
Segment operating liabilities	(63,200,882)	(68,327,105)
Trade and other payables	(1,697,678)	(3,728,988)
Interest-bearing loans and borrowings	(383,911)	(562,527)
Provision for employee benefits	(364,348)	(261,782)
Group operating liabilities	(65,646,819)	(72,880,402)

Segment revenue is all derived from within Australia with all gold and silver being sold to The Perth Mint or delivered into forward sales contracts with its Australian banker. In the current year, this accounted for 100% and 0% of external revenue respectively (2020: 57% and 43%).

Non-current assets are all located within Australia.

33. 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 2021	Percentage Owned 2020
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 (1)	PNG	100%	100%
Pantoro South Pty Ltd *	Australia	100%	100%

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

(1) Currently in the process of being deregistered.

(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.

34. KEY MANAGEMENT PERSONNEL

(a) 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	-
ML Jefferies (2)	Non-Executive Director	5 October 2016	4 August 2020
FJ Van Maanen	Non-Executive Director	4 August 2020	-

(ii) Executive Directors

		Appointed	Resigned
PM Cmrlec (3)	Managing Director	1 June 2010	-
SJ Huffadine (4)	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 Jefferies was appointed as a Non-Executive Chairman on 5 October 2016. Mr Jefferies stepped down as Chairman on 6 February 2020 and remained as a Non-Executive Director until his retirement from the board.

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

(4) 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

	2021 $	2020 $
Short-term employee benefits	1,996,437	1,665,288
Post-employment benefits	123,965	105,845
Other long-term benefits	73,925	90,508
Share-based payments	260,716	376,497
	2,455,043	2,238,138

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 $	2021	2020
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	30/6/2022	Nil	-	510,938
4/10/2019	30/6/2023	Nil	510,938	510,938
4/10/2019	8/11/2022	0.205	1,000,000	1,000,000
16/10/2020	30/6/2023	Nil	1,031,432	-
16/10/2020	30/6/2024	Nil	1,031,432	-
16/11/2020	30/6/2023	Nil	520,628	-
16/11/2020	30/6/2024	Nil	520,628	-
Total			**11,615,058**	**9,021,876**

35. ASSET ACQUISITION

On 9 July 2019, Pantoro completed the acquisition of a 50% interest in the Norseman Gold Project through its wholly owned subsidiary Pantoro South Pty Ltd.

Assets acquired and liabilities assumed

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

	$
Assets	
Property, plant and equipment	4,760,265
Exploration and evaluation expenditure	60,684,323
	65,444,588
Liabilities	
Provisions	20,512,218
	20,512,218
Net assets acquired	**44,932,370**
Costs of the Acquisition	
Shares issued	17,500,000
Cash	10,000,000
Deferred Cash Payments (1)	14,076,480
Stamp Duty	3,355,890
	44,932,370

(1) The deferred cash payments include a $5,000,000 and $10,000,000 payable 12 and 24 months respectively after the date of acquisition adjusted for the impacts of discounting.

In addition to the costs of acquisition above, the following contingent consideration is payable by way of:

- 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.
- Contingent $10,000,000 in cash payable upon definition of 1.8 million ounce reserve base.

The Group will recognise these payments as and when the hurdles are met.

36. IMPAIRMENT OF ASSETS

The Group conducts an internal review of asset values at each reporting date, which is used as a source of information to assess for any indictors of impairment. Factors, such as changes in gold price, production performance and costs are monitored to assess for indicators of performance. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating unit CGU).

As at 31 December 2019 impairment indicators and the impairment expense recognised are discussed below. As at 30 June 2021 and 30 June 2020 there were no indicators of impairment or impairment reversal.

As a result of the Group's impairment review at 31 December 2019 it was determined that changes to the Andersons lode at the Nicolsons underground mine and underperformance of the Wagtail South open pit mine causing uncertainty to scale of future underground operations at Wagtail South represented indicators of potential impairment of the Halls Creek Project CGU. The Group used a discounted cash flow (DCF) analysis under the fair value less cost to dispose approach to assess the recoverable value of the Halls Creek Project CGU.

The following key assumptions were used in the DCF valuation of the Halls Creek Project CGU at 31 December 2019:

- Future production based on the life of mine (LOM) plan;
- External gold price forecast per year ranging from $2,312/oz to $2,131/oz;
- Discount rate applied to post tax cashflow projections of 6.75%; and
- Average mill recovery rate of 94.7%.

The carrying value of the Halls Creek Project CGU before impairment charges was $45,671,703. Pantoro has determined that the recoverable amount of the CGU of $30,471,703 was less than its carrying value and therefore an impairment of $15,200,000 was recognised at 31 December 2019 (2019: nil). The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

The Group considered a number of sensitivities in assessing the recoverable amount as at 31 December. It was estimated that changes in key assumptions, in isolation, would increase or (decrease) the recoverable amount of the Halls Creek Project CGU as at 31 December 2019 as follows:

Key Assumption	Change	Increase ($'m)	Decrease ($'m)
Gold Price (AUD/oz)	10%	14.72	(14.72)
Gold Production (oz)	10%	15.84	(15.85)
Cost of Production	10%	(9.01)	9.00
Mill Recovery	1%	1.40	(1.40)
Discount rate	1%	(0.44)	0.45

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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 2021.

(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 33(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 30.

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

P.M. Cmrlec

Paul Cmrlec
Managing Director

Dated 24 September 2021

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Building a better working world

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 2021, 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 2021 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.

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.

PT:DA:PANTORO:007

Building a better working world

1. Carrying value of non-current assets

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 at each reporting date.
 	
Australian Accounting Standards and the Group's accounting policy require the Group 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.
 	
The Group has performed an impairment indicator assessment, concluding no indicators of impairment exist at 30 June 2021.
 	
Given the significance of the Group's property, plant and equipment, mine properties and development costs and exploration and evaluation expenditure, and the degree of judgement involved in assessing whether indicators of impairment or impairment reversal are present, we consider this a key audit matter.
	The audit procedures we performed included the following:
	▸ Assessed the appropriateness and completeness of the Group's consideration of impairment and impairment reversal indicators including:
	  ▸ The relationship between asset carrying values and the Group's market capitalisation
	  ▸ Comparison of current gold prices to gold prices used in the previous impairment test
	  ▸ Analysis of Board approved budgets and actual operating results
	  ▸ Analysis of changes in the Group's published reserve and resource estimates for evidence of changes in reserve and resource quantities which may evidence changes in the recoverable amount
	▸ Assessed the adequacy of the Group's disclosures included in the financial report in accordance with Australian Accounting Standards.

2. Transfer of exploration and evaluation assets to mine properties and development costs

Why significant	How our audit addressed the key audit matter
As disclosed in Note 16 of the financial report, the Group transferred $15.5 million of exploration and evaluation assets to mine properties and development costs in respect of the Central Norseman Gold Project ("the Project"). This was a key audit matter due to the judgement and estimation in both: ▸ Determining whether the exploration and evaluation project was technically feasible and commercially viable; and ▸ Assessing the Project's carrying value for impairment prior to being reclassified to mine properties and development costs, as required by Australian Accounting Standards. Determining whether an exploration and evaluation project is technically feasible and commercially viable involves a number of considerations such as assessing whether sufficient work has been undertaken in understanding the geological and metallurgical nature of the ore body, the likelihood of obtaining approvals to mine the project area and whether the project is commercially feasible.	Our audit procedures included the following: ▸ Considered the outcomes of the latest feasibility study to assess whether it supported the Project's technical and commercial viability ▸ Assessed whether the impairment valuation methodology applied by the Group met the requirements of Australian Accounting Standards ▸ Tested the mathematical accuracy of the impairment model and agreed relevant data, including assumptions on capital and operating expenditure, to the Group's feasibility analysis of the Project ▸ Performed sensitivity analysis on key assumptions such as discount rates, operating expenditure and forecasted gold prices used in the impairment test ▸ Compared the mineral reserves and resources recovered in the impairment model to those in the Group's most recent reserve and resource estimate prepared in accordance with the Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the JORC code) ▸ Considered the qualifications, competence and objectivity of the experts involved in determination of the projects reserves and resources ▸ Assessed whether all the costs relating to the project areas have been appropriately transferred to mine properties ▸ Evaluated the adequacy of the disclosures within the financial report.

PT:DA:PANTORO:007

Building a better working world

3. 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 2021 the Group's consolidated statement of financial position includes provisions of $19.7 million in respect of its rehabilitation obligations (refer to Note 19 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 in calculating the provision to the mine closure plans submitted to Department of Mines, Industry, Regulation and Safety and the reasonableness of year-on-year changes of the obligation ▸ Tested the Group's calculation of the present values 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 relating to rehabilitation obligations.

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 2021 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.

INDEPENDENT AUDITOR'S REPORT

Building a better working world

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.

- 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.

Building a better working world

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.

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 2021.

In our opinion, the Remuneration Report of Pantoro Limited for the year ended 30 June 2021, 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
24 September 2021

PT:DA:PANTORO:007

INTERESTS IN MINING TENEMENTS

AS AT 22 SEPTEMBER 2021

Halls Creek, Western Australia	Status	Interest %
E80/5451	Application	100%
G80/23	Application	100%
E80/2601	Granted	100%
E80/3861	Granted	100%
E80/4458	Granted	100%
E80/4459	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%
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%
P80/1842	Granted	100%
P80/1843	Granted	100%
P80/1844	Granted	100%
P80/1845	Granted	100%
P80/1846	Granted	100%

Norseman, Western Australia	Status	Interest %
E63/1759	Application	50%
L63/74	Application	50%
L63/95	Application	50%
P63/2239	Application	50%
P63/2240	Granted	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%
M63/100	Granted	50%
M63/105	Granted	50%
M63/108	Granted	50%
M63/11	Granted	50%
M63/110	Granted	50%
M63/112	Granted	50%
M63/114	Granted	50%

Norseman, Western Australia	Status	Interest %
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%
M63/13	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%
M63/14	Granted	50%
M63/140	Granted	50%
M63/141	Granted	50%
M63/142	Granted	50%
M63/145	Granted	50%
M63/15	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%
M63/180	Granted	50%
M63/182	Granted	50%
M63/184	Granted	50%
M63/187	Granted	50%

Norseman, Western Australia	Status	Interest %
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%
M63/26	Granted	50%
M63/265	Granted	50%
M63/272	Granted	50%
M63/273	Granted	50%
M63/274	Granted	50%
M63/275	Granted	50%
M63/29	Granted	50%
M63/315	Granted	50%
M63/316	Granted	50%
M63/325	Granted	50%
M63/327	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%

Norseman, Western Australia	Status	Interest %
M63/48	Granted	50%
M63/49	Granted	50%
M63/50	Granted	50%
M63/51	Granted	50%
M63/52	Granted	50%
M63/526	Granted	50%
M63/53	Granted	50%
M63/54	Granted	50%
M63/55	Granted	50%
M63/56	Granted	50%
M63/57	Granted	50%
M63/58	Granted	50%
M63/59	Granted	50%
M63/60	Granted	50%
M63/61	Granted	50%
M63/62	Granted	50%
M63/63	Granted	50%
M63/64	Granted	50%
M63/65	Granted	50%
M63/659	Granted	50%
M63/66	Granted	50%
M63/666	Granted	50%
M63/668	Granted	50%
M63/67	Granted	50%
M63/68	Granted	50%
M63/69	Granted	50%
M63/88	Granted	50%
M63/9	Granted	50%
M63/96	Granted	50%
M63/99	Granted	50%
P63/2003	Granted	50%
P63/2004	Granted	50%
P63/2010	Granted	50%
P63/2089	Granted	50%
P63/2138	Granted	50%
P63/2139	Granted	50%

Norseman, Western Australia	Status	Interest %
P63/2140	Granted	50%
P63/2141	Granted	50%
P63/2142	Granted	50%

SECURITY HOLDER INFORMATION

AS AT 22 SEPTEMBER 2021

(a) Top 20 Quoted Shareholders

	Units	%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	283,352,193	20.11
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	178,973,241	12.70
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	110,014,102	7.81
TULLA RESOURCES PLC	100,000,000	7.10
CITICORP NOMINEES PTY LIMITED	67,678,751	4.80
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	44,734,305	3.17
MCCUSKER HOLDINGS PTY LTD	23,000,000	1.63
MR RICHARD FARLEIGH	22,736,545	1.61
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	21,822,618	1.55
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	21,513,963	1.53
ALL-STATES FINANCE PTY LIMITED	15,527,749	1.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	15,000,000	1.06
BUNDARRA TRADING COMPANY PTY LTD <THOMAS EMERY KENNEDY A/C>	12,958,397	0.92
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	10,184,962	0.72
LIBERTY MANAGEMENT PTY LTD <LIBERTY SUPERANNUATION FUND>	10,095,777	0.72
SPAR NOMINEES PTY LTD	10,000,000	0.71
HILLBOI NOMINEES PTY LTD	8,750,000	0.62
MR SHANE DOUGLAS OXENHAM + MS SALLYANNE LOUISE OXENHAM <S AND S OXENHAM SUPER A/C>	6,000,100	0.43
JAMARI PTY LTD <JAMARI P/L STAFF SUPER A/C>	5,950,000	0.42
BRESRIM NOMINEES PTY LTD <DA HANNES SUPER FUND #2 A/C>	5,900,777	0.42
Total	**974,193,480**	**69.14**

(b) Distribution of quoted ordinary shares

Size of parcel	Number of share holders	Number of shares
1 - 1,000	272	56,577
1,001 - 5,000	752	2,582,549
5,001 - 10,000	584	4,831,993
10,001 - 100,000	1,854	74,948,717
100,001 -	692	1,326,578,862
Total	**4,154**	**1,408,998,698**

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

	Number of share holders	Number of shares
Minimum $ 500.00 parcel at $ 0.215 per unit (2,326 shares).	**424**	**351,085**

(d) Substantial Shareholders

	Units	%
ROBMAR INVESTMENTS PTY LTD	209,944,094	14.90%
TULLA RESOURCES GROUP	100,100,776	7.10%

(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.

(f) Unquoted Equity Securities

Unquoted Options	Exercise Price	Expiry Date	Number of Holders
3,500,000	$0.24	04/07/2022	3^
3,500,000	$0.25	04/07/2022	3^
2,500,000	$0.205	08/11/2022	6^
2,397,012	Nil, subject to performce conditions.	30/06/2024	9^
5,000,000	$0.15	31/03/2022	1
5,000,000	$0.20	31/03/2022	1
21,897,012			

^ Unquoted employee options issued under an employee incentive scheme.

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

Unlisted Options, Exercise Price $0.15, Expiry 31/03/2022	Units	%
ARGONAUT INVESTMENTS PTY LTD <ARGONAUT INVEST NO. 3 A/C>	5,000,000	100%

Unlisted Options, Exercise Price $0.20, Expiry 31/03/2022	Units	%
ARGONAUT INVESTMENTS PTY LTD <ARGONAUT INVEST NO. 3 A/C>	5,000,000	100%

^ Substantial holders of these unquoted options are not provided as they are issued under an employee incentive scheme.