



ASX Announcement

ASX: PGI

PanTerra Gold Limited

RIGHTS ISSUE REPLACEMENT PROSPECTUS

PanTerra Gold Limited (ASX: PGI) (“PanTerra Gold” or the “Company”), advises that subsequent to release of an Entitlement Issue Prospectus on 15 October 2018, the attached Replacement Prospectus clarifies the sequence in which Shortfall Shares will be allocated (refer Section 4.7).

End

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PANTERRA GOLD LIMITED
ACN 008 031 034

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement offer to Eligible Shareholders on the basis of two (2) Shares for every three (3) existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.025 per New Share to raise approximately \$2,164,372 (before costs) (**Offer**).

The Offer is partially underwritten by CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848) up to a maximum amount of \$1,250,000. Please refer to Section 8.4 for the details of the termination provisions in respect of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

This is a Replacement Prospectus dated 16 October 2018. It replaces a prospectus dated 15 October 2018 relating to the shares of PanTerra Gold Limited (ACN 008 031 034).

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1. CORPORATE DIRECTORY

Directors

Brian Johnson
Executive Chairman

James Tyers
Executive Director

Ugo Cario
Non-Executive Director

Angela Pankhurst
Non-Executive Director

Company Secretary

Pamela Bardsley

Registered Office

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ASX Code

PGI

Share Registry*

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Level 4, 60 Carrington Street
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Telephone: + 61 2 8234 5000
Facsimile: +61 8 8234 5050

Auditor*

BDO East Coast Partnership
Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Underwriter**

CPS Capital Group Pty Ltd
Level 45, 108 St Georges Tce
Perth WA 6000 Australia

*These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus but have consented to being named in this Prospectus.

** Australian Financial Services Licence number 294848.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	15 October 2018
Lodgement of Prospectus & Appendix 3B with ASX	15 October 2018
Notice sent to Optionholders	16 October 2018
Notice sent to Shareholders	16 October 2018
Ex date	17 October 2018
Record Date for determining Entitlements	18 October 2018
Prospectus sent out to Shareholders & Company announces this has been completed	23 October 2018
Closing Date*	6 November 2018
Shares quoted on a deferred settlement basis	7 November 2018
ASX notified of under subscriptions	9 November 2018
Issue date/Shares entered into Shareholders' security holdings	13 November 2018
Quotation of Shares issued under the Offer*	14 November 2018

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 16 October 2018 and was lodged with the ASIC on that date. This Prospectus replaces the prospectus lodged by the Company on 15 October 2018 relating to the securities of the Company (**Original Prospectus**). The ASIC, ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Changes from Original Prospectus

This Replacement Prospectus contains a clarification to the allocation of Shortfall Shares issued pursuant to the Shortfall Offer. This clarification is contained in Section 4.7.

There are no other material changes to the Original Prospectus.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of two (2) Shares for every three (3) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.025 per Share.

Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date, a maximum of approximately 86,574,897 Shares will be issued pursuant to the Offer to raise up to approximately \$2,164,372.

As at the date of this Prospectus the Company has 77,092,133 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made by following instructions set out on the Entitlement and Acceptance Form accompanying this Prospectus. You will be deemed to have accepted in respect of such whole number of Shares which is covered in full by your application monies (including additional shares under the Shortfall Offer). You may participate in the Offer as follows:

- (a) accept your **full** Entitlement; or
- (b) accept **part** of your Entitlement; or
- (c) accept your full Entitlement and apply for additional Shares under the Shortfall Offer; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.4 Payment

Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "PanTerra Gold Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must be received by the Company's share registry by no later than 5:00 pm AEDT on the Closing Date.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.5 Underwriting and sub-underwriting

The Offer is partially underwritten by CPS Capital Group Pty Ltd. The Company will pay an underwriting fee of 4% of the underwritten amount (plus GST), a management fee of 1% of the total amount raised, a placement fee of 5% of any shortfall placed by the Underwriter beyond the underwritten amount and a \$40,000 lead manager fee to the Underwriter. The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The terms of the Underwriting Agreement are summarised in Section 8.4.

The Underwriter has entered into a sub-underwriting agreement with Moonstar Investments Pty Ltd <ATF The Pemberley Trust> (**Moonstar** or the **Sub-Underwriter**) pursuant to which Moonstar will sub-underwrite 40,000,000 Shortfall Shares (**Sub-Underwriting Agreement**). Moonstar is an entity associated with Brian Johnson, Brian is a director and excluded beneficiary of Moonstar.

Under the terms of the Sub-Underwriting Agreement, the Sub-Underwriter will be paid a sub-underwriting fee of 4% of its respective sub-underwritten amount, which will be payable out of the underwriting fee received by the Underwriter.

To the extent entities associated with the Sub-Underwriter currently hold Shares in the Company, these entities intend to take up their Entitlement. Please refer to Sections 4.6.2 and 8.6 for further information and disclosure of Director interests in Securities, including details regarding their respective Entitlements.

4.6 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	38.50%	33,333,333	50,000,000	23.10%
Shareholder 2	25,000,000	19.25%	16,666,667	25,000,000	11.55%
Shareholder 3	10,000,000	7.70%	6,666,667	10,000,000	4.62%
Shareholder 4	1,000,000	0.77%	666,667	1,000,000	0.46%
Shareholder 5	100,000	0.08%	66,667	100,000	0.05%

Notes:

1. This is based on a share capital of 129,862,345 Shares at the date of this Offer Document.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The effect of the Offer on the control of the Company and in particular the Sub-Underwriters' shareholding in the event that Shareholders do not participate in the Offer is further described in Sections 4.6.1 and 4.6.2.

4.6.1 Potential effect on control

Underwriting by CPS Securities Capital Group Pty Ltd

The Underwriter presently is not a shareholder of the Company and the extent to which Shares are issued pursuant to the underwriting will increase the Underwriters' voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	0	0%
Full subscription under the Entitlement Issue	0	0%
Entitlement Issue 75% subscribed	0	0%
Entitlement Issue 50% subscribed	3,287,448	1.52%
Entitlement Issue 25% subscribed	10,000,000	4.96%
Entitlement Issue 11.84% subscribed	10,000,000	5.26%

Notes:

1. Assuming the Underwriter underwrites the Offer in accordance with the terms of its Underwriting Agreement.
2. Assuming the Sub-Underwriter takes up the full sub-underwriting entitlement under the Offer in accordance with the Sub-Underwriter's Sub-Underwriting Agreement.

- Assuming each Director and their respective controlled entities take up their full Entitlement under the Offer (as currently intended). As at the date of this Prospectus, and as noted in Section 8.6, the Directors currently have a relevant interest in 11.84% of the Shares on issue.

The Company considers an outcome whereby no Shareholders other than Directors and Sub-Underwriters will take up their Entitlements under the Offer unlikely.

4.6.2 Sub-underwriting

Moonstar, together with its associates, has a relevant interest in 14,706,872 Shares, representing 11.32% of the Shares currently on issue. Moonstar is an entity associated with Brian Johnson, with Mr Johnson being a director and excluded beneficiary.

Moonstar has indicated that it is its intention, and the intention of its associates, to take up their Entitlements under the Offer, being a total of 9,804,581 Shares.

Assuming Moonstar is required to sub-underwrite the maximum number of Shares under its Sub-Underwriting Agreement with the Underwriter (being 40,000,000 Shares) Moonstar and its associates may acquire a maximum voting power of up to approximately 33.93%, assuming that only the Directors', the Sub-Underwriter and the Underwriter takes up any Entitlement. The sub-underwriting obligation and therefore the voting power of Moonstar and its associates will reduce for the amounts of Entitlements accepted under the Offer and any Shortfall Shares allocated to other Eligible Shareholders.

Notwithstanding the potential control effect of Moonstar sub-underwriting the Offer, Moonstar has informed the Company that, based on the facts and circumstances presently known to it, it has no present intention of making any significant changes to the business or management of the Company following the announcement of the new Cuban project opportunity on 15 October 2018.

Moonstar's present relevant interest and changes under several scenarios are set out in the table below.

Event	Shares held by Moonstar	Voting power of Moonstar
Date of Prospectus	14,706,872	11.32%
Full Subscription of the Entitlement Issue	24,511,453	11.32%
Entitlement Issue 75% subscribed	46,155,178	21.32%
Entitlement Issue 50% subscribed	64,511,453	29.81%
Entitlement Issue 25% subscribed	64,511,453	32.01%
Entitlement Issue 11.84% subscribed	64,511,453	33.93%

Notes:

- Assuming the Underwriter underwrites the Offer in accordance with the terms of its Underwriting Agreement.
- Assuming the Sub-Underwriter takes up the full sub-underwriting entitlement under the Offer in accordance with the Sub-Underwriter's Sub-Underwriting Agreement.
- Assuming each Director and their respective controlled entities take up their full Entitlement under the Offer (as currently intended). As at the date of this Prospectus, and as noted in Section 8.6, the Directors currently have a relevant interest in 11.84% of

the Shares on issue.

The Company considers an outcome whereby no Shareholders other than Directors, Underwriter and the Sub-Underwriter will take up their Entitlements under the Offer unlikely.

4.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date.

Eligible Shareholders may apply for Shortfall Shares under the Shortfall Offer, subject to such Applications being received prior to the Closing Date. The issue price for each Share to be issued under the Shortfall Offer will be \$0.025 being the price at which Shares have been offered under the Offer.

The allocation of the Shortfall Shares will be at the discretion of the Board in consultation with the Underwriter, and otherwise in accordance with the terms of the Underwriting Agreement. Shortfall Shares will first be allocated to Eligible Shareholders who apply for Shortfall in addition to their full Entitlement, other than to any related parties. Any remaining Shortfall Shares will then be allocated between the balance of any Underwriting and Sub-Underwriting.

If the number of Shortfall Shares applied for exceeds the Shortfall, Shortfall will be allocated among Eligible Shareholders equitably and otherwise at the discretion of the Board (in consultation with the Underwriter).

The Company considers an outcome whereby no Shareholders other than Directors and Sub-Underwriters will take up their Entitlements under the Offer unlikely. Further, pursuant to the terms of the Underwriting Agreement, the Underwriter has agreed to ensure that no person participating in the Shortfall will receive Shortfall Shares that would result in the person holding total voting power in the Company equal to or greater than 19.99% following completion of the Offer (other than Moonstar and its associates).

4.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Original Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.9 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where

no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.11 Enquiries

Enquiries relating to this Prospectus should be directed to the Company on +61 2 4861 1740.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$2,164,372.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Items of Expenditure	AU\$	%
Funding of Preliminary Feasibility Study for Stage 1 of the La Demajagua Gold Project in Cuba	2,008,540	92.8
Expenses of the Offer ¹	155,832	7.2
Total	2,164,372	100%

Notes:

1. Refer to Section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,164,372 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 129,862,345 as at the date of this Prospectus to approximately 216,437,242 Shares.

5.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 30 June 2018 and the unaudited pro-forma balance sheet as at 30 June 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITOR REVIEWED 30 June 2018 US\$	PROFORMA 30 June 2018 US\$
CURRENT ASSETS		
Cash ¹	8,330,580	9,756,644
Other current assets	5,963,094	5,963,094
TOTAL CURRENT ASSETS	14,293,674	15,719,738
NON-CURRENT ASSETS		
Property, plant & equipment	20,256,941	20,256,941
Other non-current assets	7,801,391	7,801,391
TOTAL NON-CURRENT ASSETS	28,058,332	28,058,332
TOTAL ASSETS	42,352,006	43,778,070
CURRENT LIABILITIES		
Creditors and borrowings	20,827,223	20,827,223
TOTAL CURRENT LIABILITIES	20,827,223	20,827,223
NON-CURRENT LIABILITIES		
Creditors and borrowings	7,573,417	7,573,417
TOTAL NON-CURRENT LIABILITIES	7,573,417	7,573,417
TOTAL LIABILITIES	28,400,640	28,400,640
NET ASSETS	13,951,366	15,377,430
EQUITY		
Share capital	78,406,229	79,832,363
Options Reserve	(2,550,442)	(2,550,442)
Retained loss	(61,904,491)	(61,904,491)
TOTAL EQUITY	13,951,366	15,377,430

Notes:

1. Conversion rate used for the Rights Issue transaction is AUD:USD 0.71

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	129,862,345
Shares offered pursuant to the Offer	86,574,897
Total Shares on issue after completion of the Offer	216,437,242

Options

	Number
Options currently on issue: (Quoted exercisable at \$0.15 on or before 31 December 2018)	77,092,133
Total Options on issue after completion of the Offer	77,092,133

The capital structure on a fully diluted basis as at the date of this Prospectus would be 206,954,478 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date) would be 216,437,241 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%)	Entitlement	\$
Mercury Connection International Co Limited	20,000,000	15.40	Nil	N/A
Moonstar Investments Pty Ltd <The Pemberley A/C>	14,706,872	11.32	9,804,581 ¹	245,115
Central American Mezzanine Infrastructure Fund LP	11,745,036	9.04	Nil	N/A

Notes:

1. In addition to its entitlement, Moonstar has also agreed to sub-underwrite the Offer up to an amount of 40,000,000 Shares, see Section 4.6.2 for further information.
2. The voting power in the table is prior to settlement of the Offer.

3. Mercury Connection International Co Limited and Central American Mezzanine Infrastructure Fund LP are not Eligible Shareholders.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in Section 4.6; and
- (c) in respect of any shortfall, eligible shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool (**Shortfall Offer**). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%. Having regard to the number of Shares to be issued under the Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would therefore not be in a position to exercise any substantive control in the Company.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of

Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 129,862,345 currently on issue to a maximum of 216,437,242. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.035 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) La Demajagua risk factor

Although the PanTerra Gold Group has been selected by GeoMinera S.A. to partner them in the development of the La Demajagua refractory gold deposit in Cuba, the proposed joint venture agreement may not ultimately be approved by the Cuban Government's Committee for Foreign Investment.

Additionally, results of the Preliminary Feasibility Study for this project may not demonstrate technical or commercial viability.

Also, existing sanctions imposed on trading with Cuba which have been established by the US Government may impact on availability of equipment, technology, and project finance.

It is the intention of PanTerra Gold to utilise major components of its' process plant currently located at Las Lagunas in the Dominican Republic for the La Demajagua project. This will require a waiver to existing constraints by Glencore Technology Pty Ltd that the plant may

only be utilised on the Company's Las Lagunas refractory gold tailings retreatment project and there is a risk that such waiver may not be forthcoming.

(c) **Operations in Dominican Republic and Cuba**

PanTerra operates in foreign jurisdictions including Cuba and the Dominican Republic. As a result, PanTerra is exposed to political, economic and other risks and uncertainties associated with operating in Cuba and the Dominican Republic. These risks include changing political conditions, changes in regulations and taxation policies, renegotiation or cancellation of existing permits and contracts, currency exchange rates, restrictions on foreign exchange and currency controls, inflation, labour unrest and changes in diplomatic relations. These risks and uncertainties may be unpredictable and could adversely affect the value of the assets or future financial performance of PanTerra.

(d) **Existing litigation**

The following cases are being conducted on behalf of the Company in the Dominican Republic:

(i) Enviro Gold (Las Lagunas) Limited v Gruas Liriano

Gruas Liriano is a crane operator based in the Dominican Republic. In 2013, Enviro Gold (Las Lagunas) Limited (**EVGLL**) filed a law suit against Gruas Liriano for damages caused to one of EVGLL's dredges. The amount claimed is approximately US\$1.9 million. Gruas Liriano has filed several counter claims, including a claim for unpaid invoices totalling US\$38,000. The claims are still before the Courts, the Company does not expect a decision before the end of this year.

(ii) Dominican Taxation Department v Enviro Gold (Las Lagunas) Limited (**EVGLL**)

The Dominican Taxation Department (**DGII**) has been issuing assessments for "advance (provisional) taxation" to EVGLL since 2014, despite EVGLL having clear legal advice that no income tax is payable on profits from the Las Lagunas project in the Dominican Republic. EVGLL has been obliged to challenge each assessment on receipt. In January 2018, the Superior Administrative Court found EVGLL was indeed exempted from paying income tax under the terms of the Special Contract with the Dominican State, and accordingly was not required to pay advance taxation to DGII. DGII subsequently appealed the Court's decision before the Supreme Court of Justice. An appeal date has not yet been set.

In order to resolve this issue, a formal Notice of Dispute under the dispute resolution provisions of the Special Contract was lodged with the Dominican Government on 11 July 2018. Assuming the matter is not resolved during a stipulated 90-day negotiation period, EVGLL will commence arbitration proceedings to be held in Washington, D.C., USA under the International Centre for Settlement of Investment Disputes Rules. Any resolution is uncertain, however should EVGLL receive an unfavourable decision, this may adversely impact on the

Company as EVGLL is a wholly owned subsidiary of the Company.

7.3 Industry specific

(a) Technology Risk

The process plant intended to be used by PanTerra Gold for the extraction of precious metals from refractory concentrates, may not perform as designed, may prove uneconomic or unreliable.

(b) Commercial and Operations Risks

The Company's projects may be affected by various factors including precious metals prices, failure to achieve predicted grades in mining; operational and technical difficulties encountered in mining or processing; mechanical failures or breakdowns; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be provided that the Company will maintain commercial viability of the Las Lagunas operations or achieve profitability of future projects,

(c) Exchange rate fluctuations

The funds raised under the Offer will be applied to funding of the Pre-Feasibility Study which will be in US dollars. Any unfavourable variations in the AU\$ to US\$ exchange rate will result in less funds being applied to this study which will mean that the Company will have to use alternative funding.

7.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(a) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

Apart from the litigation described in Section 7.2(d), as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before deciding whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
15/10/2018	Rights Issue to Fund La Demajagua Gold Project, Cuba
09/10/2018	Notice of Force Majeure re power supply
02/10/2018	Appendix 3B redemption of preference shares
30/08/2018	Appendix 4D and 2018 Half Year Report
27/07/2018	Quarterly Report to 30 June 2018
12/07/2018	Change in substantial holding
12/07/2018	Response to ASX Price Query
12/07/2018	Change of Director's Interest Notice
02/07/2018	Appendix 3B Share Redemption and Issue Ord Shares
24/05/2018	Results of Meeting
24/05/2018	Las Lagunas Project to Pursue Damages Claim
19/04/2018	Quarterly Report to 31 March 2018
12/04/2018	Notice of Annual General Meeting/Proxy Form
03/04/2018	Proposed Albion/CIL Processing Plant in Spain
29/03/2018	Appendix 3B Redemption Redeemable Preference Shares
28/02/2018	Appendix 4G and 2017 Corporate Governance Statement
28/02/2018	Appendix 4E and 2017 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website

<http://www.panterragold.com>.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.053	17 July 2018
Lowest	\$0.03	22 August 2018
Last	\$0.035	28 September 2018

8.4 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite the Offer for 50,000,000 Shares (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter;

- (a) a management fee of 1% of the total amount raised (the Underwriter may accept this fee in scrip under the Offer);
- (b) an underwriting fee of 4% of the underwritten amount (all sub-underwriting fees will be paid by the Underwriter);
- (c) a placement fee of 5% of any shortfall placed by the Underwriter beyond the underwritten amount and any additional amount that might be placed under the Company's 15% capacity; and
- (d) a lead manager fee of \$40,000 (the Underwriter may accept this fee in scrip under the Offer).

The Agreement is conditional upon:

- (d) the Underwriter being satisfied acting reasonably (in its sole and absolute discretion) with the due diligence program and the due diligence results by the lodgement date;
- (e) the Underwriter being satisfied (in its sole and absolute discretion) with the form of the Prospectus and having given its consent to be named in the Prospectus prior to the lodgement date as evidence thereof; and
- (f) the Prospectus being lodged with ASIC prior to 5.00pm (Perth time) on the lodgement date.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **(Commodities)**: the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (c) **(Prospectus)**: the Company does not lodge the Prospectus or the Prospectus or the Offer is withdrawn by the Company;
- (d) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B in relation to the underwritten securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (e) **(No Official Quotation)**: ASX has advised the Company that it will not or may not grant official quotation to the underwritten securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall securities) on or prior to the Shortfall notice deadline date;
- (f) **(Price)**: the Price is greater than the volume weighted average market price for Shares as quoted by the ASX calculated over three trading days prior to allotment of new Shares;
- (g) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in section (s)(iv) below, forms the view on reasonable grounds that a supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary Prospectus without the prior written agreement of the Underwriter;
- (h) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the underwritten securities;
- (i) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or

likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;

- (j) **(Restriction on issue):** the Company is prevented from issuing the underwritten securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (k) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (l) **(ASIC application):** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (m) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (n) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (o) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (p) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (q) **(Event of Insolvency):** an event of insolvency occurs in respect of a relevant company;
- (r) **(Indictable offence):** a director or senior manager of a relevant company is charged with an indictable offence;
- (s) **(Termination Events):** subject to a material adverse effect, upon the occurrence of any of the following events:
 - (i) **(Default):** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;

- (ii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (iii) **(Contravention of constitution or Act):** a contravention by a relevant company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (iv) **(Adverse change):** an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of this agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (v) **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vi) **(Significant change):** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any relevant company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (x) **(Prescribed Occurrence):** a prescribed occurrence occurs, other than as disclosed in the Prospectus;
- (xi) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000.00 is obtained against a relevant company and is not set aside or satisfied within 7 days;

- (xii) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus;
- (xiii) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the underwritten securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (xiv) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of a relevant company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant company;
- (xv) (**Force Majeure**): a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xvi) (**Certain resolutions passed**): a relevant company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xvii) (**Capital Structure**): any relevant company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xviii) (**Breach of Material Contracts**): any of the contracts is terminated or substantially modified;
- (xix) (**Investigation**): any person is appointed under any legislation in respect of companies to investigate the affairs of a related company; or
- (xx) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

8.5 Sub-Underwriting Agreement

By an agreement between the Underwriter and the Moonstar (**Sub-Underwriting Agreement**), Moonstar has agreed to conditionally sub-underwrite the Offer for 40,000,000 Shares (**Sub-Underwritten Securities**).

Pursuant to the Sub-Underwriting Agreement, the fees to be paid to Moonstar will be paid out of the underwriting fee payable by the Company to the Underwriter.

8.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Brian Johnson ¹	14,706,872	11.32%	9,804,581	245,115
James Tyers	416,108	0.32%	277,405	6,935
Ugo Cario	111,287	0.08%	74,191	1,855
Angela Pankhurst	162,755	0.12%	108,503	2,713

Notes:

1. Held through Moonstar, who are taking up their full entitlement as well as sub-underwriting a further 40,000,000 Shares.
2. Each Director also holds the following options exercisable at 15 cents each on or before 31 December 2018 which will provide an additional Entitlement should they be exercised prior to the Record Date:
 - a. Brian Johnson: 5,000,000 Options;
 - b. James Tyers: 156,041 Options;
 - c. Ugo Cario: 72,983 Options; and
 - d. Angela Pankhurst: 61,034 Options.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements, with Moonstar also sub-underwriting 40,000,000 Shares.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial Year 2017/2018	Proposed Fees for Financial Year 2018/2019
Brian Johnson	\$540,000	\$540,000
James Tyers	\$390,000	\$390,000
Ugo Cario	\$50,000	\$50,000
Angela Pankhurst	\$50,000	\$50,000

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

CPS Capital Group Pty Ltd will be paid an underwriting and lead management fee of \$71,644, assuming no shortfall is placed and that the Sub-Underwriter receives a fee of \$40,000. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS Capital Group Pty Ltd has been paid no fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid no fees for legal services provided to the Company.

8.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;

Moonstar has given its written consent to being named as sub-underwriter to the Offer in this Prospectus, in the form and context in which it is named;

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$155,832 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	10,382
Underwriting fees	71,644
Sub-underwriting fees	40,000
Legal fees	20,000
Printing and distribution	8,600
Miscellaneous	2,000
Total	<u>155,832</u>

8.10 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 4861 1740 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.panterragold.com>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.13 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Brian Johnson
Executive Chairman
For and on behalf of
PANTERRA GOLD LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Eastern Standard Time as observed in Sydney, New South Wales.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Panterra Gold Limited (ACN 008 031 034).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

PanTerra Gold Group means the Company and any of its wholly owned subsidiaries.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.