



ASX Announcement

PanTerra Gold Limited GROUP REFINANCING

ASX: PGI

PanTerra Gold Limited (ASX: PGI) ("PanTerra Gold" or the "Company") advises that following Shareholders approval earlier today of the two resolutions that were required to implement the refinancing negotiated between PanTerra Gold and its subsidiaries (the "Group"), Central American Mezzanine Infrastructure Fund I ("CAMIF") and its associate, ALCIP Capital LLC ("ALCIP"), (the "Refinancing"), three outstanding conditions precedent remain to be satisfied for the Refinancing to be effected:

- i) the issue to ALCIP of 40 million PGI Share Options exercisable at \$0.15 each on or before 31 December 2018;
- ii) the payment to CAMIF I of a US\$500,000 restructuring fee;
- iii) the payment or reimbursement of approximately A\$150,000 of outstanding legal fees incurred by CAMIF I and ALCIP in drafting variations to the Redeemable Preference Share Agreement, the Las Lagunas Facility Agreement, and associated documents.

Both items i) and ii) are now able to satisfied and will be later today.

With regard to item iii), CAMIF and ALCIP have been invoiced a significant amount by their lawyers ("Invoiced Amounts"). The Company has already paid for over 50% of the total of the Invoiced Amounts being those which appear to be reasonable and within the Group's contractual obligations. However, the outstanding Invoiced Amounts are viewed as:

- (a) unreasonable and/or not within the Group's contractual obligations; or
- (b) not able to be properly assessed due to lack of detail provided by CAMIF and ALCIP. In order to assess the reasonableness of the outstanding Invoiced Amounts, PGI has made a number of requests for further information. Despite these repeated requests over a period of two months, CAMIF and ALCIP have provided only partial and incomplete details in connection with some of the Invoiced Amounts.

As a consequence, the Group is not willing at this stage to make any further payments of the outstanding Invoiced Amounts without additional information.

CAMIF and ALCIP have not accepted a request from the Group to allow the negotiation and finalisation of payment of outstanding legal costs to occur subsequent to satisfaction of items i) and ii) so that the Refinancing could be effected forthwith.

Acceptance of this request would have allowed a proper assessment and negotiation of the outstanding Invoiced Amounts to have been conducted without delaying implementation of the Refinancing.

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The Group is working diligently to resolve the dispute in respect of this issue and to give effect to the Refinancing as soon as possible. Shareholders should note that until the Refinancing is implemented, it is possible that CAMIF could seek to enforce guarantees by Group members in respect of the Redeemable Preference Share Agreement and ALCIP could seek repayment of the Las Lagunas Facility Agreement.

Shareholders will be kept informed on this matter and should be aware that when the Refinancing comes into effect, it is the Company's intention to accelerate the repayment schedule of the Group's secured loan and royalties from surplus funds expected to be generated by the Las Lagunas gold/silver project in the Dominican Republic, in order to free up encumbered assets, including the Las Lagunas project and process plant.

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