



ASX Announcement

PanTerra Gold Limited

PANTERRA GOLD TO REDUCE PROJECT LOAN FROM GAINS ON CLOSING HEDGING PROGRAM

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”), advises that it has closed out a gold hedging program established for its Las Lagunas project in the Dominican Republic.

An amount of US\$2,250,000 from the net gain of US\$2,900,000 will be applied to an advance repayment on its secured project loan from ALCIP Capital LLC (“ALCIP”).

The loan will reduce to approximately US\$6,340,000 as at 31 December 2016.

A residual hedging program for 15,000 oz Au remains in place at an average of US\$1178 per oz Au, and the unsecured hedging facility for the Las Lagunas project provided by MKS (Switzerland) S.A. allows for a further 20,000 oz Au to be hedged at the Company’s discretion.

Subject to the gold price remaining at or above current levels and production meeting forecasts, the loan should be able to be repaid around March 2018, nine months ahead of the recently negotiated project loan extension to 31 December 2018.

The Company’s ASX Announcement dated 24 November 2016 advised of approximately \$150,000 of disputed legal costs expected by ALCIP and its associate, Central American Mezzanine Infrastructure Fund (“CAMIF”), to be reimbursed for drafting variations to financing agreements.

Despite still not being provided with requested details of their lawyer’s disputed invoices, and contrary to the intent outlined in the Announcement, the Company has paid the amount outstanding to satisfy the remaining Condition Precedent for the Group’s Refinancing to be effected.

Without this payment, the integrity of the Group’s 2016 Audit would otherwise have been impacted by the Refinancing not being in place by the yearend.

End

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