



ASX Announcement

PanTerra Gold Limited

ASX: PGI

UPDATE ON FINANCING AND PRODUCTION

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”) sets out below an update on financing and production for its Las Lagunas gold/silver project in the Dominican Republic.

FINANCING

Following a review of process plant performance at Las Lagunas subsequent to commissioning additional Albion oxidation reactor capacity in early August 2014, project loan repayments have been rescheduled with Macquarie Bank Limited. The project will repay the outstanding US\$29.199 million loan in accordance with the following schedule:

Repayment Date	US\$ million
30 November 2014	2,250,000
31 December 2014	2,750,000
31 March 2015	5,000,000
30 June 2015	5,000,000
30 September 2015	5,000,000
31 December 2015	5,000,000
31 March 2016	4,199,000

The US Investment Bank mandated to arrange the issue of US\$30.0 million (previously US\$35 million) of first lien senior secured Notes for early repayment of Macquarie Bank’s outstanding loan, will commence marketing the proposed issue next week. The Notes are to be repaid in three tranches of \$10 million at end 2017, 2018, and on maturity at end 2019.

The Notes will preferably be issued to a single party from the large number of clients of the Investment Bank that have expressed interest in participation. The proposed issue is an initiative of the Company in order to free up near term cash flow for application to a second project, and not a requirement of Macquarie Bank.

Negotiations are continuing with a substantial and influential Chinese group to become a cornerstone investor in the Company through a placement of 15% of its shares at a premium to current prices, and to provide a gateway to opportunities for application of the Albion oxidation process in China.

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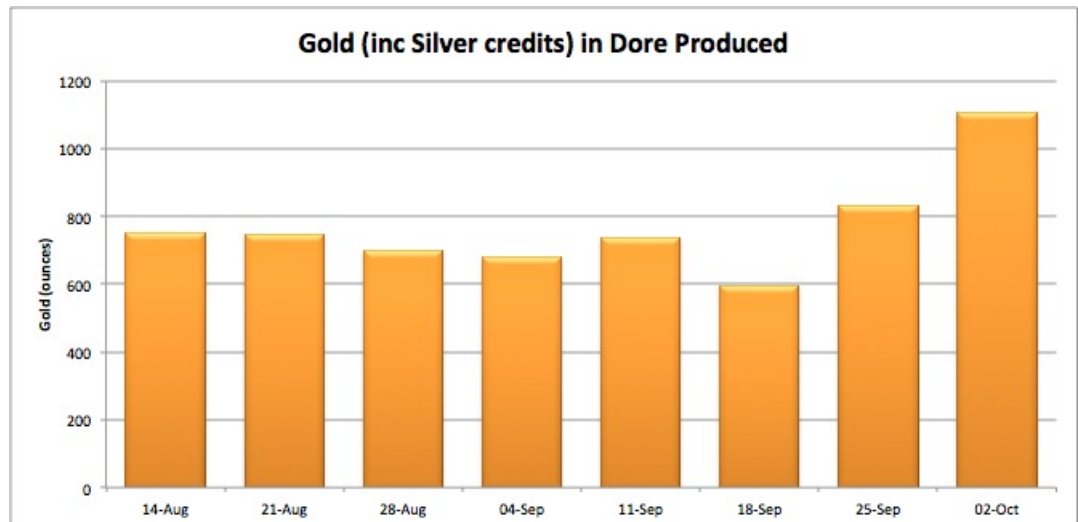
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PRODUCTION

Weekly gold produced in doré (with silver credits) since commissioning of the additional Albion oxidation reactor capacity is graphed below:



The spike on 2 October should not be taken as representative as it resulted from a 'catch up' of doré production missed on 18 September due to equipment issues with the elution circuit.

It is anticipated gold production (including silver credits) should be maintained at around 850 oz per week until March 2015, and thereafter improve to approximately 1000 oz per week following further plant optimisation.

End