



ASX Announcement

PanTerra Gold Limited

ASX: PGI

POSITIVE METALLURGICAL TEST WORK RESULTS FOR PROPOSED NEW POLARIS GOLD MINE

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”), advises that results of metallurgical test work of arsenopyrite concentrate from the proposed New Polaris gold mine in British Columbia have been received.

The first stage test work has indicated gold recoveries of approximately 85% can be achieved without modification to the Las Lagunas Albion/CIL process plant.

The project concept is for the New Polaris underground mine to be developed in a 51:49 joint venture with Vancouver-based Canarc Resources Corp., and for PanTerra Gold to purchase all concentrate production for shipping to the Dominican Republic and processing through the Company’s plant at Las Lagunas.

In two to three months, the Company will complete the Prefeasibility Study for the development and operation of the mine aimed at producing 40,000tpa of concentrate for up to 10 years with contained gold of 90g/t to 100g/t, together with the evaluation of shipping and processing costs to determine overall capital requirements and potential profitability for PanTerra Gold.

Based on the test work to date, the Company can realistically target 100,000 oz Au production per year at Las Lagunas utilising approximately 35% of the Las Lagunas plant capacity with the indicated retention time required in the Albion reactors.

With these encouraging results, the Company will now actively pursue other potential sources of plant feed that could supply the balance of the Las Lagunas plant capacity. The current focus is on the possibility of acquiring around 50,000tpa of high gold grade arsenopyrite concentrate from an existing mine within the region which is scheduled for reopening in two to three years. The Company is actively engaged with the developers of the mine to determine the viability of processing their concentrate at Las Lagunas.

It is anticipated the Company will prioritise future developments and marketing arrangements on the extraction of precious metals from concentrate containing high levels of arsenic which is becoming difficult to process in traditional roasters due to increasing environmental standards worldwide.

ABN: 48 008 031 034

Registered Office:

55 Kirkham Road
Bowral NSW 2576 Australia
PO Box 846
Bowral NSW 2576 Australia
T: +61 2 4861 1740
Email: admin@panterragold.com

Project Offices:

DOMINICAN REPUBLIC
Calle Mayaguano No. 2
Los Cacicazgos,
Santo Domingo,
Distrito Nacional
T: +1 809 482 0876

CANADA

880 – 580 Hornby Street
Vancouver, BC, V6C 3B6
T: +1 604 806 0626

The benefit of the world-first Albion/CIL technology installed at Las Lagunas is that the chemical reaction that takes place in the Albion oxidation process will convert arsenic to ferric arsenate (FeAsO_2) for encapsulation in the existing tailings dam, with resultant high stability and extremely low solubility meeting World Bank standards for Toxicity Characteristic Leaching Procedure (“TCLP”) limits.

End

Cautionary Statement

Production targets for the proposed New Polaris gold mine referred to in this announcement were first released to the ASX on 26 February 2015. They are preliminary and there is no certainty that the production targets, or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.