

2 September 2015

Dear Shareholder

PRO-RATA NON-RENOUCEABLE RIGHTS OFFER

As announced on 31 August 2015, PanTerra Gold Limited (ACN 008 031 034) (**Company**) is undertaking a pro-rata non-renounceable Rights Issue (**Rights Issue** or **Offer**) of up to approximately 53,749,405 fully paid ordinary shares (**New Shares**) and 53,749,405 new options (together **New Securities**) to raise up to \$5,374,941 before costs. The price of New Shares under the Offer is 10 cents each (**Issue Price**) and will be offered to eligible shareholders on the basis of three (3) Shares for every five (5) Shares held on the Record Date together with one (1) free attaching option for every Share subscribed for under the Offer. The options have an exercise price of \$0.15 and an expiry date of 31 December 2018.

The Company lodged an offer document for the Rights Issue (**Prospectus**) with ASX and ASIC on 31 August 2015.

The Company intends to apply the funds raised from the Offer towards:

Item of Expenditure	Amount (\$)
Completion of Las Lagunas plant upgrade	1,200,000
Working capital	3,924,941
Costs of the Offer	250,000
TOTAL	5,374,941

The Offer is being made to all shareholders of the Company named on its register of members at 5pm (EST) on 7 September 2015, whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the capital structure of the Company at full subscription (\$5,374,941) will be as follows:

Description	Shares	Options
Securities on issue at time of Offer	89,582,342	4,450,000
New Securities issued pursuant to Offer	53,749,405	53,749,405
Total securities on issue post-completion	143,331,747	58,199,405

The number of Performance Shares and Convertible Redeemable Performance Shares currently on issue will not change as a result of the Offer.

A copy of the Prospectus is available on ASX's and Company's websites. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 10 September 2015. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required by Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**) or part of your Entitlement. To take up all or some of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5pm (AEST) on 21 September 2015, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, or by making a payment in respect of the application moneys by BPay, for the appropriate application monies (at \$0.10 per Share) by following the instructions set out in the Entitlement and Acceptance Form' or
- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

The Rights Issue is accompanied by an offer for Shortfall Shares at the Issue Price (**Shortfall Shares**) to Underwriters, Eligible Shareholders and other parties at the Directors' discretion within three (3) months of the date of the Prospectus. Details of how to apply for Shortfall Shares are contained in the Prospectus and accompanying Entitlement and Acceptance Form.

The timetable for the Offer is as follows:

Lodgement of Prospectus with ASIC	31 August 2015
Ex Date – Shares trade ex Entitlement	3 September 2015
Record Date to determine Entitlement	7 September 2015
Prospectus with Entitlement and Acceptance Form dispatched (Opening Date)	10 September 2015
Closing Date for acceptances	21 September 2015
New Shares quoted on a deferred settlement basis	22 September 2015
ASX notified of under-subscriptions	22 September 2015
Issue of New Shares	24 September 2015
Dispatch of shareholding statements	25 September 2015
Normal trading of New Shares expected to commence	25 September 2015


Subject to the Listing Rules, the above dates may be changed without notice.

Ineligible Shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). **Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, unfortunately no offer will be made to you.** In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Securities, please contact your financial adviser or Pamela Bardsley, PanTerra Gold's Company Secretary, on +61 2 4861 1740.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Bardsley', with a large, stylized loop at the end.

Pamela Bardsley
Company Secretary
PanTerra Gold Limited