29 February 2016

PanTerra Gold Limited

ASX: PGI

Appendix 4E
Unaudited Preliminary Final Report

REPORTING PERIOD:

Current period:	Year ended 31 December 2015
Previous Period:	Year ended 31 December 2014

Expressed in United States dollars unless otherwise stated

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

				2015 US$		2014 US$
Revenues from ordinary activities	up	2.8%	to	46,649,542	from	45,382,390
Profit/(Loss) from ordinary activities after tax attributable to members	up	176%	to	24,612,853	from	(32,574,078)
Net Profit/(Loss) for the year attributable to members	up	176%	to	24,612,853	from	(32,574,078)
EBITDA	up	33%		20,418,838	from	15,319,736
NET TANGIBLE ASSETS						
Net tangible assets per ordinary share	up	167%	to	0.11	from	(0.17)
EARNINGS PER SHARE						
Basic profit/(loss) cents per share	up	701%	to	24.47	from	(4.07)
Diluted profit/(loss) cents per share	up	537%	to	17.79	from	(4.07)

ABBREVIATED EXPLANATION OF RESULTS:

Production trends

Monthly gold production in 2015 reflected reduced recoveries while processing low grade ultrafine tailings from January to August, followed by a transition to improved production from coarse higher grade feed, which is expected to continue until mid-2019 when Stage One of the Las Lagunas project will be completed.

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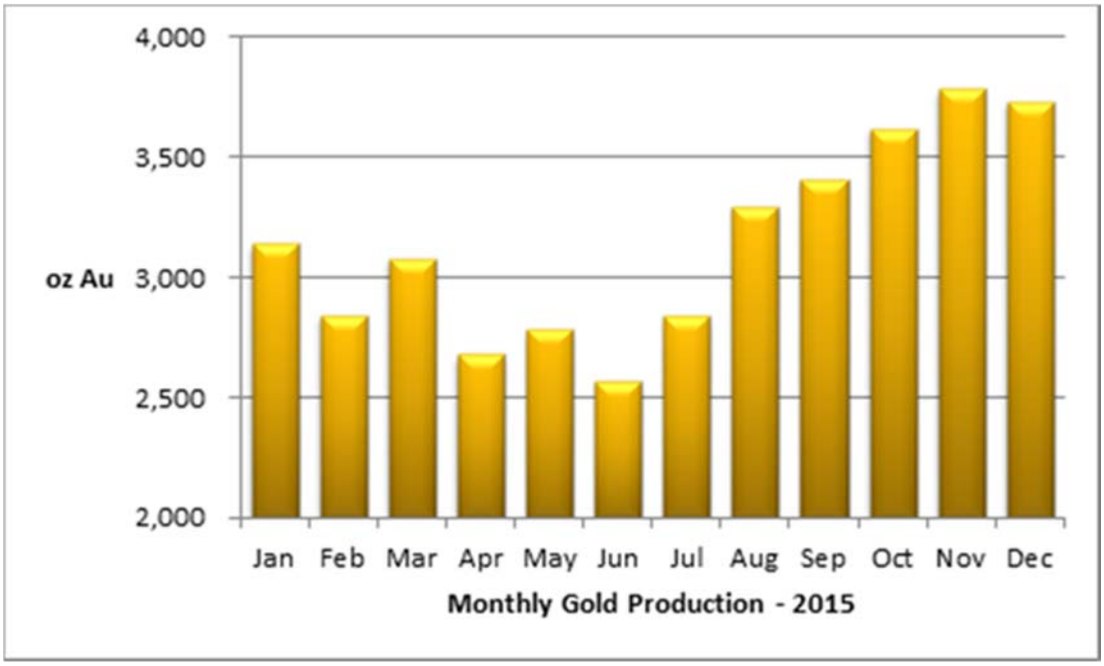

Gold production for 2016 is forecast to average approximately 3,740 oz/mth. Production for January and February averaged 3,800 oz/mth, with recoveries of 51.5%.

Plant availability improved from 90.6% in Q1 to 94.9% in Q4 with expectations of continuing at this level for the balance of the project.

Head grades of plant feed increased from an average of 3.2g/t in Q1 to 3.8g/t in Q4 with expectations of approximately 3.6g/t for the balance of the project.

Operating costs were stable throughout the year and averaged US$786/oz gold equivalent produced with potential improvement if forecasts for increased annual production from 41,825 oz gold equivalent in 2015 to 48,600 oz gold equivalent in 2016 are achieved.

Refinancing

On 9 December 2015, the Company's principal financier, Macquarie Bank Limited ("MBL"), assigned the Group's facilities to ALCIP Capital LLC ("ALCIP"), a subsidiary of the Central American Mezzanine Infrastructure Fund LP II ("CAMIF II").

The facilities included a secured project loan of US$10.3 million to the Las Lagunas gold project, a Price Participation Royalty of 5.5% of gold sales from the project and a Gross Smelter Royalty ("GSR") of 3.0% of gold sales. The GSR was purchased by MBL for US$7.5 million in December 2010. Both royalties are for the life of the project which should be completed in mid-2019.

The loan is being repaid at the rate of US$600,000 per month with a balloon payment of US$7.38 million due on 30 June 2016. A payment of approximately US$1.3 million is also due on the same date to eliminate accrued royalty payments which are currently being capitalised.

Negotiations are in progress with ALCIP to restructure the Group's finances in order to spread the balloon payment over three years.

The Group's other major lender, the Dominican Government-owned BanReservas, has agreed in principle to spread its US$7.5 million of loans to the project, over the same period.

As at today's date the Company is in default in relation to a number of minor obligations established under the original MBL facility agreements now assigned to ALCIP. These include the maintenance of a minimum monthly gold production and Current Ratios, and a maximum amount for monthly operating costs and trade creditors. These were requirements of MBL in 2010 prior to the development of the project and have been waived on a continuous basis since commissioning in mid-2012 when it became obvious the project results would not meet original targets.

MBL's waivers were cancelled when the facilities were assigned to ALCIP and have not been replaced.

The Group is not in default in relation to its repayment obligations or debt servicing with the ALCIP facility, and at no time in the past has it been in default with its primary financial obligations to MBL. Negotiations with ALCIP are on-going and are expected to be successfully concluded within two months.

In the event negotiations with ALCIP to restructure Group finances are unsuccessful the Company intends to make arrangements to pay out the balance owing to ALCIP before 30 June 2016.

The Company has been offered a 3 year loan by a US investment bank sufficient to repay ALCIP and reduce shareholder loans. It would also allow the servicing of dividends and redemptions of outstanding Redeemable Preference Shares held by CAMIF I, with cash payments rather than share issues. CAMIF I is an associate of CAMIF II.

The Company currently owes CAMIF I a US$560K dividend payment and a US$1.4million redemption payment from October 2015 but on instructions from CAMIF I it has not issued shares for these amounts pending the outcome of negotiations on refinancing.

The Company is now in a position where it can reasonably determine the surplus cash flow generated by the Las Lagunas project and this should allow it to establish a financially stable platform for the next several years and focus on the Future Activities described below.

Impairment reversal

At 31 December 2014, a total of US$28.7 million of impairment charges to carrying values of the Las Lagunas project were recorded in anticipation of decreased recoveries from the processing of low grade tailings in 2015 and a fall in the gold price.

US$19.0 million of this impairment has been reversed at 31 December 2015 reflecting improved and stable production and an increased gold price.

The estimated NPV of the Las Lagunas project on 1 January 2016 at a gold price of US$1,200 per oz for unhedged production, and US$15 per oz for silver, discounted at 10%pa was US$64.0 million before project loans of US$17.9 million and the US$7.9 million discounted cost of the Price Participation Royalty to be paid for the balance of the project.

This is equivalent to A$0.44 per share at an exchange rate of 70 cents.

Future Activities

The Company is gaining traction in the Dominican Republic for its proposed Stage Two of the Las Lagunas project which could commence in mid-2019 when its tailings retreatment commitment to the Government is completed.

Planning for the utilisation of the Las Lagunas Albion/CIL process plant to treat approximately 100,000 tpa of refractory concentrate purchased from third parties is underway along with the identification of issues that must be addressed, or approved by the Government.

The Company is confident that it will be able to acquire the necessary plant feed from identified sources in China, Canada, Cuba and the Dominican Republic at prices that would result in a financially robust project.

Proposed modifications to the existing plant involving the installation of a solvent extraction and electrowinning circuit (SX/EW) should permit the processing of copper/gold refractory concentrates which are likely to become available from within the region based on the prevailing geology and proposed mine developments.

The Company has also commenced negotiations with a major Chinese gold company aimed at jointly constructing and operating a 50,000 tpa Albion/CIL plant adjacent to one of their existing operations, which has the capacity to produce this quantity of concentrate feed with gold grades in excess of 50g/t.

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE YEAR

During the year a 100%-owned subsidiary, Novus Gold Corp., was liquidated. Capitalised exploration and evaluation expenditures totalling $3.8 million relating to concessions in the Dominican Republic previously held by a subsidiary of Novus Gold Corp. were written-off during the period.

DIVIDENDS

No dividends were declared or paid for the year ended 31 December 2015 (2014: $Nil).

STATUS OF AUDIT

The financial statements are unaudited and are currently in the process of being audited by BDO East Coast Partnership. It is expected that the audit opinion when completed will contain an emphasis of matter in relation to going concern as the Company may need to refinance its borrowings during this year as described above.

OTHER INFORMATION REQUIRED BY LISTING RULE 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the accompanying Preliminary Financial Statements.

End

PANTERRA GOLD LIMITED

ABN: 48 008 031 034

UNAUDITED PRELIMINARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Revenue	2	46,649,542	45,382,390
Other Income	3	11,710,432	17,685,521
Changes in inventories		162,670	412,726
Mining and mill feed costs		(1,568,537)	(2,895,796)
Consumables		(10,144,005)	(9,257,825)
Grid power		(6,772,910)	(6,976,924)
Equipment spares and maintenance		(4,711,210)	(3,670,400)
Direct labour costs		(5,221,456)	(5,245,767)
Site and camp costs		(2,429,105)	(2,585,326)
Royalties		(1,347,167)	(1,479,819)
Employee benefits – other than direct		(1,663,478)	(2,251,928)
Insurance costs		(988,549)	(1,063,358)
Occupancy costs		(108,029)	(205,442)
Legal and professional costs		(456,027)	(741,700)
Exploration and evaluation activities		(88,728)	(81,430)
Depreciation and amortisation expense		(3,751,986)	(14,183,448)
Finance costs		(7,535,337)	(13,031,436)
Foreign exchange gain		259,784	93,634
Exploration and evaluation costs written-off		(3,789,625)	-
Reversal/(Impairment) of assets		19,020,391	(28,695,000)
Other expenses		(2,604,604)	(3,782,750)
Profit / (Loss) before income tax expense		**24,622,066**	**(32,574,078)**
Income tax expense		(9,213)	-
Profit / (Loss) from continuing operations		24,612,853	(32,574,078)
Profit / (Loss) for the year		**24,612,853**	**(32,574,078)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation movement (net of income tax)		17,867	(10,974)
Total other comprehensive income net of tax for the year		**17,867**	**(10,974)**
Total comprehensive income for the year		**24,630,720**	**(32,585,052)**
Attributable to:			
Owners of the Parent Entity		24,630,720	(32,585,052)
Total comprehensive income for the year		**24,630,720**	**(32,585,052)**
Basic earnings (loss) per share (cents per share)		28.17	(4.07)
Diluted earnings (loss) per share (cents per share)		20.47	(4.07)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	Note	2015 US$	2014 US$
CURRENT ASSETS			
Cash and cash equivalents	5	4,087,264	2,558,128
Trade and other receivables	6	318,748	312,096
Prepayments and deposits	7	799,543	1,500,772
Inventories	8	7,207,951	6,983,881
TOTAL CURRENT ASSETS		**12,413,506**	**11,354,877**
NON-CURRENT ASSETS			
Property, plant and equipment	10	49,790,845	32,617,648
Intangible assets	11	18,321,634	19,557,435
TOTAL NON-CURRENT ASSETS		**68,112,479**	**52,175,083**
TOTAL ASSETS		**80,525,986**	**63,529,960**
CURRENT LIABILITIES			
Trade and other payables	12	7,793,722	5,933,938
Provisions		275,607	1,091,583
Borrowings	13	22,178,923	21,290,772
TOTAL CURRENT LIABILITIES		**30,248,252**	**28,316,293**
NON-CURRENT LIABILITIES			
Provisions		1,249,506	328,301
Borrowings	14	16,486,058	29,808,589
TOTAL NON-CURRENT LIABILITIES		**17,735,564**	**30,136,890**
TOTAL LIABILITIES		**47,983,816**	**58,453,183**
NET ASSETS		**32,542,170**	**5,076,777**
EQUITY			
Contributed equity		78,293,962	75,473,206
Reserves		(2,608,463)	(2,640,246)
Accumulated losses		(43,143,330)	(67,756,183)
TOTAL EQUITY		**32,542,170**	**5,076,777**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Ordinary Shares US$	Equity Reserve US$	Options Reserve US$	Performance Rights Reserve US$	Foreign Currency Translation Reserve US$	Accumulated Losses US$	Total US$
Balance as at 1 January 2014		73,279,733	(11,773,880)	3,793,210	1,124,316	3,983,898	(35,182,105)	35,225,172
Loss for the year		-	-	-	-	-	(32,574,078)	(32,574,078)
Other comprehensive income		-	-	-	-	(10,974)	-	(10,974)
Total comprehensive income for the year		-	-	-	-	(10,974)	(32,574,078)	(32,585,052)
Transactions with owners in their capacity as owners:								
Shares issued		2,243,167	-	-	-	-	-	2,243,167
Transaction costs on share issue		(49,694)	-	-	-	-	-	(49,694)
Share based payment		-	-	127,239	115,945	-	-	243,184
Balance as at 31 December 2014		**75,473,206**	(11,773,880)	**3,920,449**	**1,240,261**	**3,972,924**	**(67,756,183)**	**5,076,777**

	Ordinary Shares US$	Equity Reserve US$	Options Reserve US$	Performance Rights Reserve US$	Foreign Currency Translation Reserve US$	Accumulated Losses US$	Total US$
Balance as at 1 January 2015	**75,473,206**	(11,773,880)	**3,920,449**	**1,240,261**	**3,972,924**	**(67,756,183)**	**5,076,777**
Profit /(Loss) for the year	-	-	-	-	-	24,612,853	24,612,853
Other comprehensive income	-	-	-	-	17,868	-	17,867
Total comprehensive income for the year	-	-	-	-	17,868	24,612,853	24,630,720
Transactions with owners in their capacity as owners:							
Shares issued	3,107,609	-	-	-	-	-	3,107,609
Transaction costs on share issue	(286,853)	-	-	-	-	-	(286,853)
Share based payment	-	-	-	13,916			13,916
Balance as at 31 December 2015	**78,293,962**	(11,773,880)	**3,920,449**	**1,254,177**	**3,990,792**	**(43,143,330)**	**32,542,170**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015	Year ended 31 December 2014
		US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		46,622,019	46,409,055
Receipts from other income		12,667,799	3,016,467
Payments to suppliers and employees		(33,382,647)	(38,016,355)
Payments for exploration and evaluation activities		(2,347,386)	(171,139)
Interest received		21,338	17,585
Interest paid		(5,260,900)	(5,423,543)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		**18,320,223**	**5,832,070**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,607,019)	(5,257,002)
Purchase of investments		-	-
NET CASH USED IN INVESTING ACTIVITIES		**(4,607,019)**	**(5,257,002)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,241,061	1,062,853
Payment of share issue costs		(206,003)	(49,694)
Proceeds from borrowings		-	-
Repayment of borrowings		(14,219,126)	(4,519,618)
Payment of borrowing costs		-	-
NET CASH USED IN / (PROVIDED BY) FINANCING ACTIVITIES		**(12,184,068)**	**(3,506,459)**
NET DECREASE IN CASH HELD		**1,529,136**	**(2,931,391)**
Cash at the beginning of the financial year		2,558,128	5,489,519
CASH AT THE END OF FINANCIAL YEAR		**4,087,264**	**2,558,128**

The accompanying notes form part of these financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for the Consolidated Group consisting of PanTerra Gold Limited and its subsidiaries for the year ended 31 December 2015.

(a) Reporting Entity

PanTerra Gold Limited (the “Company”) is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity. The address of the Company’s registered office is 55 Kirkham Road, Bowral, NSW, Australia. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the “Group” or “Consolidated Group” and individually as “Group Entities”). The financial report is presented in US dollars, which is the Consolidated Group’s functional and presentational currency.

2. REVENUE

	2015 US$	2014 US$
Revenue from continuing operations		
Sales revenue		
Sales of gold	43,201,707	40,853,120
Sales of silver	3,835,273	4,914,480
Less: Refinery and freight costs	(414,083)	(418,506)
Other sales revenue	5,306	15,711
	46,628,204	45,364,805
Other revenue		
Interest received	21,338	17,585
	46,649,542	**45,382,390**

3. OTHER INCOME

Net gain on adjustment to carrying amount of financial liability	-	8,016,070
Net loss on movement in fair value of derivative liabilities	(957,367)	-
Gold Hedge Close Out	12,357,872	6,489,000
Insurance claim received	309,927	194,633
Legal settlements	-	2,821,834
R&D tax offset refund	-	163,984
	11,710,432	**17,685,521**

4. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) include, amongst others the following:	**2015**	**2014**
	US$	**US$**
Employee costs - salaries	1,421,710	1,807,670
Employee costs – superannuation	108,450	118,751
Payroll tax	33,903	37,970
Equity settled share-based payments	545,698	1,423,498
Minimum lease payments	14,119	44,001

5. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	4,047,183	2,513,269
Cash on deposit	40,081	44,859
	4,087,264	2,558,128

6. TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	292,078	285,894
Other receivables	26,670	26,202
	318,748	312,096

Past due but not impaired
There were no past due but not impaired receivables at 31 December 2015 or 31 December 2014.

7. PREPAYMENTS AND DEPOSITS (CURRENT)

Prepayments and bonds	478,629	586,904
Deposits on equipment	320,914	60,587
Security bond in relation to labour claim (refer Note 27)	-	853,281
	799,543	1,500,772

8. INVENTORIES

Metal on hand and in circuit	1,295,945	1,133,275
Processing consumables	1,563,962	2,293,849
Maintenance spares	4,348,045	3,556,757
	7,207,951	6,983,881

9. SUBSIDIARIES

Name	Country of Incorporation	Percentage of equity interest held by the Consolidated Group	
		2015 %	2014 %
PanTerra Gold Technologies Pty Ltd	Australia	100	100
EnviroGold (Las Lagunas) Limited	Vanuatu*	100	100
PanTerra Gold (Dominicana) S.A.	Dominican Republic[#]	100	100
PanTerra Gold (British Columbia) Ltd	Canada¤	100	-
PanTerra Gold (Peru) S.A.	Peru[#]	100	100
PanTerra Mining Finance Inc.	BVI	100	100
PanTerra Gold Inc.	BVI	100	100
PanTerra Gold (Latin America) Inc.	BVI^	100	100
PanTerra Gold (Azuay) S.A.¨	BVI[#]	100	100
Novus Gold Corp.	Canada[¥]	-	100
Invercropolis S.R.L.	Dominican Republic	-	100

* Investment held by PanTerra Gold Technologies Pty Ltd

[#] Investment held by PanTerra Gold (Latin America) Inc.

¨ Liquidated on 25 April 2014.

^ Investment held by PanTerra Gold Inc.

¥ Voluntarily dissolved on 31 July 2015.

¤ Investment held by PanTerra Gold Inc.

10. PROPERTY, PLANT & EQUIPMENT

	Mine buildings and plant US$	Leasehold Improvements US$	Plant & Equipment US$	Total US$
2015				
Cost				
Balance 31 December 2014	62,636,829	79,419	9,276,074	71,992,322
Additions	1,656,036	-	2,176,958	3,832,995
Balance 31 December 2015	64,292,865	79,419	11,453,032	75,825,317
Accumulated Depreciation				
Balance 31 December 2014	(18,060,891)	(79,419)	(3,229,364)	(21,369,674)
Depreciation expense	(2,811,252)	-	(1,853,546)	(4,664,799)
Balance 31 December 2015	(20,872,143)	(79,419)	(5,082,910)	(26,034,473)
Impairment				
Balance 31 December 2014	(18,005,000)	-	-	(18,005,000)
Impairment loss	18,005,000	-	-	18,005,000
Balance 31 December 2015	-	-	-	-
Carrying Value 31 December 2015	**43,420,722**	**-**	**6,370,123**	**49,790,845**
2014				
Cost				
Balance 31 December 2013	59,582,470	79,419	7,368,414	67,030,303
Additions	3,054,359	-	1,907,660	4,962,019
Balance 31 December 2014	62,636,829	79,419	9,276,074	71,992,322
Accumulated Depreciation				
Balance 31 December 2013	(9,953,631)	(78,874)	(1,696,594)	(11,729,099)
Depreciation expense	(8,107,260)	(545)	(1,532,770)	(9,640,575)
Balance 31 December 2014	(18,060,891)	(79,419)	(3,229,364)	(21,369,674)
Impairment				
Balance 31 December 2013	-	-	-	-
Reversal of impairment	(18,005,000)	-	-	(18,005,000)
Balance 31 December 2014	(18,005,000)	-	-	(18,005,000)
Carrying Value 31 December 2014	**26,570,938**	**-**	**6,046,710**	**32,617,648**

Security
At 31 December 2015 ALCIP Capital LLC held security in the form of a fixed and floating charge over all the assets and the undertaking (i.e. Las Lagunas gold tailings project) of the borrower (EnviroGold Las Lagunas Limited) located in, or relating to the Dominican Republic.

11. INTANGIBLE ASSETS

	2015 US$	2014 US$
(a) Development costs		
Las Lagunas project (Dominican Republic)		
Balance at the beginning of the year	15,775,119	31,007,992
Amortisation expense	(2,824,898)	(4,542,873)
Impairment reversal / (loss)	4,753,101	(10,690,000)
Closing balance	17,703,322	15,775,119
(b) Exploration and evaluation costs		
Balance at the beginning of the year	3,782,316	3,692,606
Current year costs	618,312	89,710
Exploration and evaluation costs written-off	(3,782,316)	-
Closing balance	618,312	3,782,316
Total intangible assets	**18,321,634**	**19,557,435**

The expenditure which was capitalised in exploration and evaluation costs during the reporting period related to the New Polaris project and the Las Lagunas project extension.

The expected remaining period for amortisation of the Las Lagunas project development costs is equal to the remaining life of the project. On this basis, the asset is expected to be fully amortised by the second half of 2019.

12. TRADE & OTHER PAYABLES (CURRENT)

	2015 US$	2014 US$
Trade creditors		
Other corporations	5,095,374	3,566,612
Director related entities	49,389	99,506
Accruals	2,648,959	2,267,820
	7,793,722	**5,933,938**

13. BORROWINGS (CURRENT)

ALCIP Capital facility loan	10,378,166	14,000,000
BanReservas short term loan	2,500,000	2,925,000
BanReservas project loan	2,500,000	-
Shareholder loans	2,477,750	2,773,108
CAMIF redeemable preference shares	4,285,714	1,428,571
Finance leases	37,292	164,093
	22,178,922	**21,290,772**

14. BORROWINGS (NON-CURRENT)

	2015 US$	2014 US$
ALCIP Capital facility loan (i)	7,898,396	-
Macquarie Bank facility loan	-	15,645,456
BanReservas project loan	2,500,000	5,425,000
CAMIF redeemable preference shares	6,047,494	8,660,672
Finance leases	40,169	77,461
	16,486,058	29,808,589

i) ALCIP Capital loan facility

The Consolidated Entity entered in a Facility Agreement ("Agreement") with Macquarie Bank Limited ("MBL") on 12 March 2010 for the purpose of financing the construction and development of the Las Lagunas gold tailings project ("Project"). ALCIP Capital acquired this loan facility in December 2015. The key terms and conditions of the Agreement are:

- A drawdown facility of US$37.5 million which is subject to interest rates and repayment terms of a normal commercial loan. The interest margin is 4.25% plus LIBOR and interest is payable 90 days after each funding portion drawdown or rollover. Subsequent to and in consideration of the rescheduling by MBL of the repayment schedule in December 2014 the interest margin was varied as follows:
  - 6.25% per annum on principal outstanding greater than US$20 million
  - 5.25% per annum on principal outstanding between US$10 million and US$20 million
  - 4.25% per annum on principal outstanding less than US$10 million
- The Agreement also includes a Gross Smelter Royalty Agreement ("GSR") which provides for an advance of US$7.5 million against a future stream of royalties payable at 3% on all gold produced from the Project.
- A Price Participation Agreement ("PP") whereby the Consolidated Entity shall pay to MBL a PP during the life of the Project which is to be calculated in accordance with a formula as set out in the Agreement, as follows:
  - *Price Participation Payment = (A – B) x G x 5.0%*[1]
  - *where:*
  - *A is the average quarterly gold spot price on the calculation date*
  - *B is the applicable base case gold price on the calculation date*
  - *G is the number of ounces of gold product produced from the project during the 3 month period immediately preceding the calculation date*

  [1]Subsequent to and in consideration of the rescheduling by MBL of the repayment schedule in March 2013 the percentage applicable to the Price Participation Payment calculation increased by 0.5% to 5.5% from 1 April 2013

  The fair value of the PP is also calculated in the discounted cash flow model for the Project.

The carrying amount of the loan was estimated at 31 December 2015 as US$18.2 million (2014: US$29.6 million) using the effective interest rate method. The annual effective interest rate is calculated at 23.1% (2014: 23.1%) after all of the components of the loan as described above have been fair valued.