



# ASX Announcement

## PanTerra Gold Limited

### Precious Metals Processing Facility, Dominican Republic

**ASX: PGI**

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”), advises that recent discussions with senior executives of the Ministry of Energy and Mining in the Dominican Republic on future utilisation of the Group’s Albion/CIL process plant, once gold and silver extraction from the Government’s refractory tailings at Las Lagunas is completed in mid-2019, has resulted in the following:

- application will be made under Article 53 of Mining Law 146-71 to establish a precious metals Processing Facility utilising the Group’s in situ Albion/CIL process plant (the Company was previously seeking a 20-year lease over its existing Project Area, but the Ministry apparently has no authority to grant ground leases);
- the tenure of the proposed Processing Facility could be for a similar duration;
- the application will be made in the name of a new company to be formed to clearly distinguish it from the PanTerra Gold subsidiary currently carrying out the processing of the Las Lagunas tailings, which enjoys tax exemptions and other benefits that would not apply to the Processing Facility;
- provision will be made for the introduction of appropriate Dominican investors to take up a minority shareholding in the applicant company (the State Bank, BanReservas, will be appointed as advisers to the applicant company to establish a fair value for the proposed Facility, and to manage the selection process for one or more investors);
- approval will be sought for processing 100,000tpa of refractory concentrate to be purchased as feed for the Processing Facility with an initial focus on concentrate produced from mines in the Dominican Republic (two new mines are expected to be developed locally within the next three years based on refractory resources and are potential suppliers of concentrate, with other prospective sources identified in Cuba, China, Canada, and Peru being investigated);
- operating at 100,000tpa with a typical 50g/t Au content in the concentrate, gold production would be targeted at 100,000 to 125,000 oz per year (the plant capacity is 200,000tpa);
- other than environmental permitting, the key to progressing the proposed Processing Facility will be political and community support.

The objective is to achieve demonstrable political support for the Processing Facility by the end of 2016, and necessary permitting by the end of 2017.

The fall back to utilisation of the Group’s plant in the Dominican Republic will be to relocate it to one of several potential projects that have been identified in Cuba, China and Peru.

**End**

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