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## ASX Release

21 December 2011

### **ENCOURAGING RESULTS FROM GEOPHYSICAL SURVEY OVER SAN GERARDO CONCESSION, ECUADOR**

PanTerra Gold Limited (**ASX: PGI**) (**PanTerra Gold** or the "**Company**"), has received the attached report dated 20 December 2011 from its Canadian geological consultant, Buscore Consulting, following completion of an Induced Polarisation geophysical survey over its San Gerardo concession in Ecuador.

The Consultants have described the results as "extremely encouraging" following the identification of 15 high quality drill targets, three of which are "very large" and represent the best targets for porphyry style mineralisation of the copper/molybdenum/gold soil anomaly, recognised by earlier soil sampling.

Drilling will commence as soon as the Environmental Permit for the concession is received.

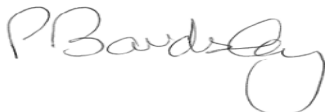
In addition to allowing surface drilling to commence, the Permit will allow limited forestry clearance, access road construction, and expansion of operations of seven small-scale underground mines aimed at producing a total of around 100,000 oz gold per year through an offsite processing plant.

Any open-cut mining operation resulting from exploration of the targets identified by Buscore will be the subject of additional environmental approvals.

The initial Permit to allow drilling to commence is currently expected early next year, and a 25,000m drilling program will commence immediately thereafter.

Yours faithfully

**PanTerra Gold Limited**



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## **Competent Person Statement**

### **Ecuador**

The technical information in this release relating to the Ecuador gold projects was compiled by Mr Dale Schultz, Managing Director of Buscore Consulting Ltd, who is a consultant to the PanTerra Gold Group and is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) which is ROPO accepted for the purpose of reporting in accordance with Appendix 5A of the ASX listing rules. Mr Schultz has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schultz consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

20 December 2011

The Directors  
PanTerra Gold Limited  
Level 2/12, 12 O'Connell Street  
Sydney Australia

### **Preliminary Modeling of Induced Polarisation Geophysical Survey**

Preliminary interpretation has been undertaken on the recently completed Induced Polarisation geophysical survey covering PanTerra's San Gerardo concessions in Azuay province, Ecuador. The survey was conducted by JVX Ltd, of Ontario Canada.

An Induced Polarisation (IP) technique was used because the technique is especially useful in exploration for disseminated sulphide mineralisation, typically what may be seen in a mineralised porphyry. The IP phenomenon is seen as decaying voltage, lasting a few seconds, after current that has been transmitted into the ground is switched off. The IP effect is mainly due to diffusion of ions in groundwater at the surfaces of conducting mineral grains. Sizeable volumes of rock with a few percent of disseminated sulphide such as porphyry deposits, and pyritic gold deposits are likely to show significant IP effects.

IP Survey results give an indication of the electrical Resistivity within the subsurface as well as revealing polarisable zones, or zones of Chargeability.

The Resistivity patterns are largely controlled by porosity. Factors such as weathering, shearing, and fracturing can increase porosity within the subsurface. This increase in porosity is often represented by Resistivity Lows. As a result, a chain of resistivity lows can be a good tool in mapping faults and/or structures within the survey area. Conversely, rock types with very low porosity containing a high percentage of quartz, such as granitoids, quartz veins, or zone of silicification, will create areas or domains consisting of Resistivity Highs.

Disseminated and very conductive minerals (i.e. chalcopyrite or pyrite), and /or slightly less conductive minerals (i.e. galena, magnetite, hematite) can display moderate to strong induced polarisation patterns or Chargeability High anomalies.

Figures 1 and 2 represent the results of the preliminary IP data for Resistivity (fig 1) and Chargeability (fig 2), and include the broader Cu/Mo and Au anomaly outlines defined by the earlier soil sampling program. The data sets are also presented as a composite overlay such that the correlations between the IP and soil surveys can be readily observed (Cu, Mo, Au). Areas where strong IP anomalies are coincident with anomalous soil chemistry become areas of high priority for diamond drill targets.

As can be seen in Figure 1, the Resistivity portion of the survey has identified a number of structural corridors (highlighted by resistivity lows), marked as solid black lines. The Resistivity lows where they are coincident with Cu and Mo soil anomalies make for very good porphyry drill targets. In addition, the resistivity survey also shows a number of significant Resistivity highs (polygons with black hatch patterns). The Resistivity highs, where they are coincident with gold in soils, make excellent targets for gold epithermal style vein mineralization. Potential drill targets are highlighted with white boxes.

The Chargeability anomaly seen in Figure 2 is particularly useful for drill target identification. The Chargeability anomalies identified should be highlighting areas in the subsurface that contain domains of metallic, and or sulphide material. In Figure 2, the Chargeability anomalies are marked by dashed line polygons.

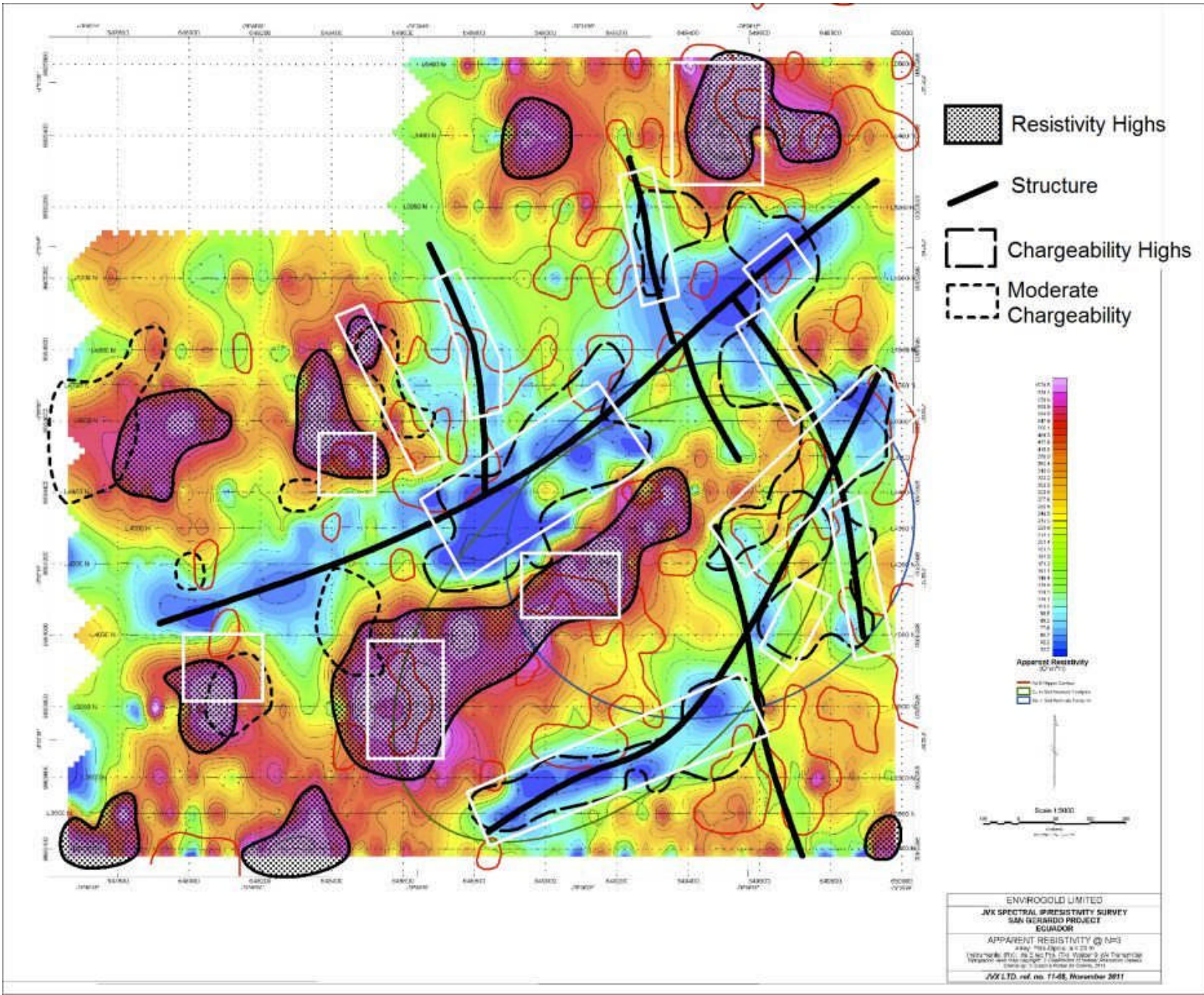
There are three very large Chargeability anomalies associated with the Cu/Mo/Au soil anomaly and coincident Resistivity lows. These anomalies represent the best targets for porphyry style mineralization on the concession.

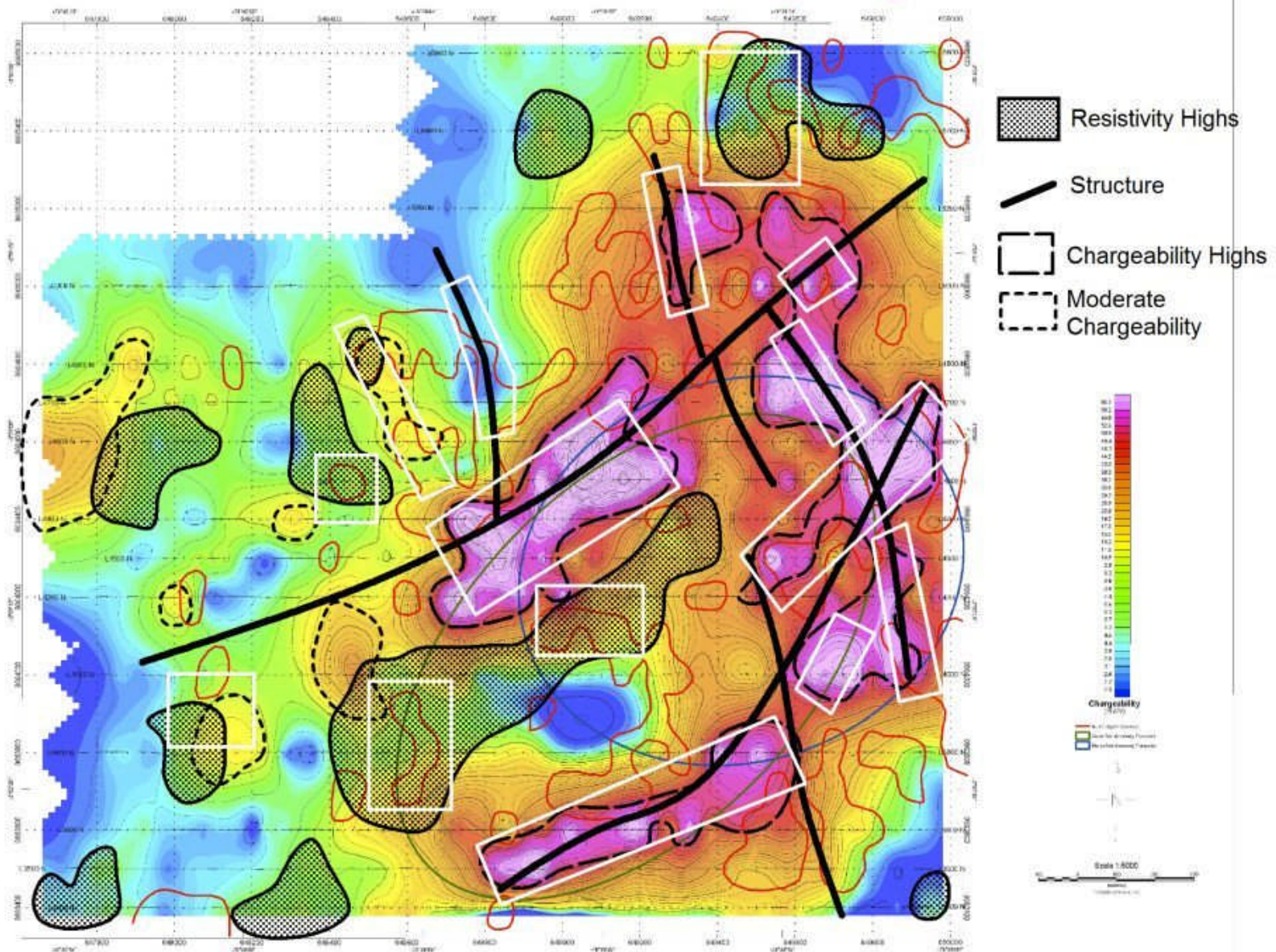
San Gerardo concession contains a minimum of 15 high quality drill targets with the targets highlighted with white boxes.





The information gathered from the IP survey is extremely encouraging and will now provide the basis for drill hole planning for the diamond drilling program scheduled to commence in January 2012. J VX limited is continuing to refine the images with additional processing that will put the finishing touches on the drill hole plans for the January 2012 diamond drilling program.

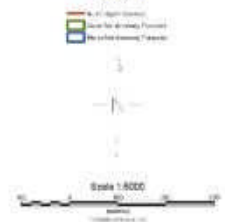
#### **Buscore Consulting**

Dale Schultz, M.Sc., P.Geol.  
Managing Director





-  Resistivity Highs
-  Structure
-  Chargeability Highs
-  Moderate Chargeability



ENVIROGOLD LIMITED  
 JVA SPECTRAL (RESISTIVITY) SURVEY  
 SAN GERARDO PROJECT  
 ECUADOR  
 CHARGEABILITY @ N+3  
 A 100V 170m x 200m 4 x 4 200 m  
 1000m x 1000m 100m x 100m 100m x 100m 100m x 100m  
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 JVA LTD. ref. no. 11-06, November 2011