

ASX Announcement

12 November 2012

PANTERRA GOLD ARRANGES \$5.0m CAPITAL RAISING

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the "Company"), advises that it has arranged the placement of 33,333,333 shares at \$0.15 each to sophisticated investors to raise \$5,000,000 of additional working capital.

One free share option convertible at \$0.175 on or before 31 December 2014 will be issued for every two shares issued in the placement. Application will be made to the Australian Securities Exchange to list both the new shares and the share options.

Offers to arrange the placement were received following the Company's announcement on 7 November 2012, and the Board considered it prudent to undertake the raising at this time.

Mr Brian Johnson, Executive Chairman of PanTerra Gold, said that it was disappointing to have to top up working capital with resultant dilution, as a consequence of problems with mechanical equipment supplied to its Las Lagunas process plant in the Dominican Republic.

Plant throughput has been restricted for over four months during the ramp-up phase of the project, resulting in a significant reduction in anticipated revenues.

Mr Johnson said that the plant would be run at design capacity this week and the Company's technical staff are confident gold and silver production levels established by pilot plant test work will be achieved in December 2012.

End