

ASX/Media Release

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UPDATE ON OPERATION OF ALBION/CIL PROCESSING PLANT, LAS LAGUNAS GOLD & SILVER PROJECT, DOMINICAN REPUBLIC

PanTerra Gold Limited (**ASX: PGI**) (**PanTerra Gold** or the “**Company**”), advises that its Albion/CIL processing plant at Las Lagunas in the Dominican Republic has been functioning as expected since commencement on 23 May 2012, but operations have been temporarily suspended while improvements are made to the rate and density of feed to the plant.

The bucket wheel dredge which will feed the plant has been delivered late to the site by the manufacturer and will be installed this week, and the plant restarted.

During the past two weeks, feed has been delivered from a cutter suction type dredge which is not ideal because it is designed to produce relatively large volumes of solids, but not at the consistent density which will optimise the efficiency of the plant. This dredge will continue to be used for mining to stockpiles and creation of voids into which reprocessed tails will be placed behind bund walls.

As a consequence of the above, production of gold and silver doré will be delayed.

A further update on the operating status will be provided next week after recommencement of the process plant.

End

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