



ASX Announcement

PanTerra Gold Limited

ASX: PGI

BREAKTHROUGH FOLLOWING XSTRATA TECHNOLOGY ON-SITE REVIEW OF LAS LAGUNAS PROJECT

Key points:

- **Technical review completed by Xstrata Technology has determined a significant increase in the efficiency of the Albion oxidation circuit can be expected with modifications, at a modest cost**
- **Original design recoveries and revenues are reasonable targets in Q4 2014 following the proposed modifications**

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”), is pleased to advise that Xstrata Technology, provider of the Albion oxidation process, has undertaken an in-depth on-site operational review of the Albion circuit installed at the Company’s Las Lagunas process plant in the Dominican Republic, the results of which are outlined below.

Xstrata Technology Review Findings

The report concludes that the Albion circuit can only be expected to achieve its designed level of oxidation of the refractory ore by adding a sixth oxidative leach tank and insulating the existing five tanks. These measures will increase retention time and reduce heat loss, respectively, resulting in increased chemical reactions and oxidation efficiency.

This should result in gold recovery through the Albion/CIL plant increasing substantially from current levels. The additional tank will be installed by mid-2014 at a cost of approximately US\$1.5 million.

Status of Current Operations

The Las Lagunas process plant has been running consistently since September 2013 but at lower than budgeted recoveries due to inefficiency of the oxidation process, and reduced feed.

Gold production for the December 2013 quarter will be approximately 7,300 oz Au (66,000 oz Ag). Revenue for the December 2013 quarter is anticipated to be approximately US\$11 million¹

¹ The Company has gold hedging in place for 98,000 ozs of production at approximately US\$1,310/oz

ABN: 48 008 031 034

Registered Office:
55 Kirkham Road
Bowral NSW 2576 Australia
PO Box 846
Bowral NSW 2576 Australia
T: 61 2 4861 1740
Email: admin@panterragold.com

Project Offices

AUSTRALIA
Suite 6, Level 5
3 Spring Street
Sydney NSW 2000
T: 61 2 4861 1740

DOMINICAN REPUBLIC
Calle Mayaguano No. 2
Los Cacicazgos,
Santo Domingo,
Distrito Nacional
T: +1 809 482 0876

Outlook for CY2014

Production levels (and revenue) are expected to increase in the first half of CY2014 from sustained operation of the plant at its design throughput. Significant production improvement is expected in the second half of 2014 due to increased recovery rates following completion of the proposed Albion circuit modifications.

Gold production for CY2014 is anticipated to be approximately 45,000 oz of gold and 372,000 oz of silver, resulting in revenue of approximately US\$64 million after Government royalties. Operating costs should be maintained at approximately US\$30 million for the year.

Financing Update

The Company has commenced discussions with its lenders to reschedule project loan repayments to reflect forecast profitability. The Company expects these discussions to be satisfactorily concluded in February 2014.

Mr Brian Johnson, Executive Chairman of PanTerra Gold, said that he and his co-directors were pleased that the Albion technology providers have agreed and finalised a strategy to improve oxidation and resultant recovery of gold and silver.

With the proposed plant modifications, and forecast production and project profitability in 2014, the Company should finally gain the traction needed to explore other development opportunities, including extending the life of the Las Lagunas project with an additional source of feed.

End