

## ASX Announcement

8 April 2013

### UPDATE, LAS LAGUNAS GOLD & SILVER PROJECT DOMINICAN REPUBLIC

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the "Company"), reports on progress of process plant optimisation at its Las Lagunas gold/silver project in the Dominican Republic.

The plant will be running at nameplate capacity from this week, and the Company's technical staff and consultants continue to work on optimising recoveries.

Gold and silver in the form of doré bars valued at approximately US\$0.9 million were shipped to refiners in the first week of this month, and total value of production for April is expected to be between US\$3.5 million and US\$4.0 million.

Monthly income should rise to around US\$6.0 million per month by June 2013 with a target of US\$7.0 million to US\$8.0 million per month when the plant operations are fully optimised during the following quarter.

The PanTerra Group's monthly cash outflow for project operating costs, financing costs, and overheads, has stabilised at approximately US\$2.5 million per month.

CEO, Mr Brian Johnson, said that now the Company's operations and cash flow were steadily improving, the primary focus would be on securing additional feed sources for the Las Lagunas plant from either within the Dominican Republic or from outside the country, in order to extend the six year life of the project.

Subject to grade and metallurgical characteristics, concentrate produced from mining of refractory ores could be transported from significantly distant locations and remain a commercial proposition for gold and silver extraction, utilising the existing plant and infrastructure, particularly while projected average operating costs remain in the US\$350 to US\$400 per ounce Au range.

The estimated NPV of the Las Lagunas project to PanTerra Gold Limited is currently estimated to be approximately US\$173 million at a 10% discount rate and an average gold price of US\$1400 per ounce, after taking into account Group overheads, financing costs, royalties, Government profit share, and hedging commitments. This would be significantly higher if the project can source additional feed.

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PROJECT OFFICES:

**AUSTRALIA**  
Level 5 Suite 6  
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