



ASX Announcement

PanTerra Gold Limited

ASX: PGI

UPDATE ON PROPOSED DEVELOPMENT NEW POLARIS GOLD MINE, BRITISH COLUMBIA

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”), advises that an important element of the current Pre-Feasibility Study (“PFS”) for the proposed joint development of the New Polaris gold mine in British Columbia with Canarc Resource Corp, has been successfully completed.

A detailed evaluation by a group of Canadian consultants has estimated capital and operating costs for the production of 40,000 dry metric tonnes (“dmt”) per year of arsenopyrite refractory concentrate from the proposed development with targeted grades of 90g/t gold, 14% arsenic, and 20% sulphide sulphur:

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| <ul style="list-style-type: none"> • estimated capital costs for the design and construction of the 900tpd underground mine, milling circuit, and associated infrastructure | <ul style="list-style-type: none"> ≈US\$90 million
(at exchange rate of C\$1.00=US\$0.80) |
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| <ul style="list-style-type: none"> • estimated production costs for contained gold in concentrate loaded on barges at Taku River port | <ul style="list-style-type: none"> ≈US\$290 per oz Au
≈US\$340 per oz Au
(including sustaining capital and on-going underground mine development) |
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It is intended that PanTerra Gold will purchase the concentrate at the mine site for shipment to the Dominican Republic and processing at the Company’s Las Lagunas Albion/CIL plant.

Total production costs for the estimated 100,000 oz Au which should be recovered annually from the New Polaris concentrate are expected to be in the order of US\$700 per oz Au, including transport and processing costs, and a profit margin for the 50:50 joint venture at the point of sale in Canada.

The next important element of the PFS will be the results of metallurgical test work currently being carried out on a sample of New Polaris concentrate at the Albion/CIL pilot plant in Brisbane. Results will be available in July 2015 and are expected to confirm 85% to 90% recoveries from the 100g Au/dmt sample.

To complete the economic modelling for the continuation of the Las Lagunas project based on supply of New Polaris concentrate from Q4 2018, logistics consultants and engineers have been engaged to confirm estimated capital and operating costs for the transport of concentrate from the New Polaris mine to Las Lagunas.

These estimates, together with the cost of minor modifications necessary to the Las Lagunas Albion/CIL plant, processing costs, and assumed financing arrangements, will form an integral part of the PFS results which should be available in August 2015.

A 10,000 metre infill drilling program in September-November 2015 is expected to increase the Indicated category of the New Polaris resource which is currently 1,155,000 oz gold at an average grade of 12.3g/t Au with a cut-off at 6.0g/t Au (Toronto Stock Exchange NI43-101 compliant). Of this resource, 519,000 oz is Measured and Indicated, and 636,000 oz is Inferred (refer attachment).

After this program the targeted 10 year mine life should be confirmed.

An additional 10,000 metre infill drilling program will be undertaken in mid-2016 as part of the Definitive Feasibility Study for the New Polaris mine. A development decision is expected to be made before the end of 2016.

End

Cautionary Statement

Production targets for the proposed New Polaris gold mine referred to in this announcement were first released to the ASX on 26 February 2015. They are preliminary and there is no certainty that the production targets, or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.

ATTACHMENT

PUBLISHED NEW POLARIS RESOURCES (TSX NI 43-101 compliant)

Updated February 1, 2007, and using a 6 gram per tonne cut-off (0.17 oz per ton), the total resource at New Polaris is 1,155,000 oz gold contained within 2,916,000 tonnes of mineralized vein material at an average grade of 12.3 grams per tonne (0.36 oz. per ton). Greater than 95% of the measured and indicated resources are located within the C vein system where infill drilling programs were conducted over the past three years. Approximately 75% of the inferred resources are also located within the C vein system, with the remainder attributable to the Y19 and Y20 veins. See the tables below for the breakdown of the resource categories.

MEASURED UNDILUTED RESOURCE						
Cutoff Grade		Mineralized Tonnage		Average Grade		Contained Gold
(g/tonne)	(oz/ton)*	(tonnes)	(tons)	(g/tonne)	(oz/ton)	Au (oz)
2	0.058	390,000	429,902	9.48	0.277	119,000
4	0.117	330,000	363,763	10.62	0.310	113,000
6	0.175	271,000	298,727	11.89	0.347	104,000
8	0.233	203,000	223,769	13.54	0.395	88,000

INDICATED UNDILUTED RESOURCE						
Cutoff Grade		Mineralized Tonnage		Average Grade		Contained Gold
(g/tonne)	(oz/ton)*	(tonnes)	(tons)	(g/tonne)	(oz/ton)	Au (oz)
2	0.058	1,280,000	1,410,960	10.97	0.320	451,000
4	0.117	1,180,000	1,300,728	11.65	0.340	442,000
6	0.175	1,017,000	1,121,052	12.71	0.371	416,000
8	0.233	806,000	888,464	14.22	0.415	368,000

MEASURED PLUS INDICATED UNDILUTED RESOURCE						
Cutoff Grade		Mineralized Tonnage		Average Grade		Contained Gold
(g/tonne)	(oz/ton)*	(tonnes)	(tons)	(g/tonne)	(oz/ton)	Au (oz)
2	0.058	1,670,000	1,840,861	10.62	0.310	570,000
4	0.117	1,510,000	1,664,491	11.42	0.333	555,000
6	0.175	1,288,000	1,419,778	12.54	0.366	519,000
8	0.233	1,009,000	1,112,233	14.08	0.411	457,000

INFERRED UNDILUTED RESOURCE						
Cutoff Grade		Mineralized Tonnage		Average Grade		Contained Gold
(g/tonne)	(oz/ton)*	(tonnes)	(tons)	(g/tonne)	(oz/ton)	Au (oz)
2	0.058	2,060,000	2,270,763	10.5	0.307	697,000
4	0.117	1,925,000	2,121,951	11.0	0.322	683,000
6	0.175	1,628,000	1,794,564	12.2	0.354	636,000
8	0.233	1,340,000	1,477,098	13.3	0.387	571,000

*ton equals short dry ton

Gary Giroux, MASC., P.Eng., is the Qualified Person who prepared the NI 43-101 resource estimate set out above. The complete NI 43-101 report, titled "Resource Potential New Polaris", is available on SEDAR at www.sedar.com and was filed on March 16, 2007.