



ASX Announcement

PanTerra Gold Limited

ASX: PGI

SHAREHOLDER LOANS GRANTED CONVERSION RIGHTS

PanTerra Gold Limited (ASX: PGI) (“PanTerra Gold” or the “Company”), advises that Shareholders who provided A\$3.2 million of unsecured loans to the Company in July 2012 expecting repayment within two years, have been prohibited by the secured lender to the Group, ALCIP Capital LLC (“ALCIP”), a subsidiary of Central American Mezzanine Infrastructure Fund II (“CAMIF II”), from repayment prior to 15 July 2019, irrespective of the Company having sufficient funds to make earlier loan repayments.

Shareholder loans are subordinated to ALCIP, as are unsecured Redeemable Preference Shares (“RPS”) issued to its associate CAMIF I, and an unsecured project loan from the Dominican Government-owned Bank, BanReservas.

Unfortunately, during negotiations for a 30 month extension to their secured project loan, ALCIP demanded that repayment of unsecured lenders be prioritised in favour of their associate’s RPS, with Shareholder Lenders being relegated to a date nearly seven months after ALCIP’s project loan has to be repaid.

This occurred despite earlier indications from the Managers of ALCIP that all unsecured lenders would be treated equitably with respect to repayments from surplus cash generated by the Las Lagunas gold/silver project.

As a consequence of the poor treatment of Shareholder Lenders, the Board of PanTerra Gold Limited offered these lenders and any of their successors, conversion rights for all or part of their loans at A\$0.08 each, on or before 30 June 2019.

Shareholders with loans totalling A\$2,282,000 accepted this offer which could lead to the conversion to up to 28,525,000 PGI shares. Shareholders with loans totalling A\$918,000 did not accept this offer.

The Executive Chairman of PanTerra Gold Limited, Mr Brian Johnson, whose family company provided A\$1.0 million of Shareholder Loans, did not participate in Board discussions on this matter, and understands that Shareholder approval will be required for conversion if he still holds an interest in the loan at that time.

End

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