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PANTERRA GOLD'S PROJECTED CASH GENERATION FROM DOMINICAN PROJECT PARTICULARLY STRONG DESPITE LOWER GOLD AND SILVER PRICES

Latin American focussed mineral resources company, **PanTerra Gold Limited (ASX: PGI)** (**PanTerra Gold** or the "**Company**" - formerly EnviroGold Limited) confirms that construction of its processing plant for the Las Lagunas gold and silver project in the Dominican Republic is progressing well and scheduled for completion in three months.

Despite recent falls in gold and silver prices, the Dominican project is expected to generate over US\$85 million of free cash flow between the first gold pour in March/April 2012 and the end of 2013.

This amount should be generated at a gold price of US\$1500 per ounce and silver price of US\$30 per ounce after payment of royalties, taxation, and complete repayment of Macquarie Bank's US\$37.5 million project loan, within the same time frame.

Mr Brian Johnson, Executive Chairman of PanTerra Gold Limited, said "With operating costs expected to be in the order of US\$312 per oz of gold produced, the Las Lagunas project is particularly robust, even after allowing for the Dominican Government's 15% share of operating profits."

"The cash generated from the project should provide equity for two additional similar sized projects to be developed over the next few years, which would establish a solid base for long term profitability of our newly named company."

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