

ASX Release

6 February 2012

PROPOSED SHARE PLACEMENT

PanTerra Gold Limited (**ASX: PGI**) (**PanTerra Gold** or the “**Company**”), has agreed to issue approximately 5.0 million shares at an average price of A\$0.1875 each to Harold Machinery S.A., the civil engineering contractor on its Las Lagunas gold project in the Dominican Republic.

The contractor has been engaged to operate the Company’s limestone quarry and deliver crushed stone to the process plant.

Harold Machinery is a well-established Dominican civil engineering contractor and is currently mining the tails deposit to create a void for re-deposition, after the tails pass through the Las Lagunas process plant.

The Company has agreed to pay the contractor’s monthly invoices to a total of US\$1.0 million, by the issue of PanTerra Gold shares. The first US\$500,000 of invoices over a period of approximately three months will be satisfied by the issue of shares at A\$0.175 each, and the second US\$500,000 over the following four months, at A\$0.20 each.

This arrangement will effectively provide an additional US\$1.0 million of working capital during the ramp-up phase of the Las Lagunas project.

End

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