



ASX Announcement

PanTerra Gold Limited

PROPOSED ALBION/CIL PROCESSING PLANT IN SPAIN

ASX: PGI

PanTerra Gold Limited (ASX: PGI) ("PanTerra Gold" or the "Company"), advises that the Company's wholly-owned subsidiary, PanTerra Gold Technologies Pty Ltd ("PGT"), has signed a Co-operation Agreement with TSX-V listed Black Dragon Gold Corp. ("BDG"), acknowledging:

BDG's wholly-owned subsidiary, Exploraciones Mineras del Cantabrico's ("EMC") proposes to develop an underground mine at its Salave gold deposit in the autonomous community of Asturias, Spain.

EMC plans to produce between 50,000tpa and 60,000tpa of refractory concentrate grading approximately 45g/t Au for a minimum of 10 years from an NI43-101 reported resource of 6.822 million tonnes of ore grading 4.51g/t Au (measured and indicated) at a 2.0g/t cut-off.

PGT proposes to construct and operate an Albion/CIL processing plant in Spain to extract gold in the form of doré bars from the Salave concentrate, with the aim of producing approximately 75,000oz Au per year.

To advance the processing project, PGT has already undertaken the following activities:

- Tested typical concentrate produced from drill cores from Salave at its facilities in the Dominican Republic and recovered +95% of contained gold;
- Established a preliminary design for the proposed processing plant together with estimates of capital and operating costs;
- Signed a Technology Agreement with Glencore Technologies Pty Ltd permitting PGT to utilise Glencore's patented Albion oxidation process on the Salave concentrate;
- Engaged an experienced Spanish metallurgist, Emilio Hormaeche Bigorra, as its local Technical Director who will be responsible for identifying a suitable site for the plant and associated tailings dam (probably in southern Spain), and progressing permitting.

PGT will complete a Bankable Feasibility Study for the processing of Salave concentrate following additional drill core becoming available from EMC for further test work.

Both BDG and PGT intend to advance their respective projects as quickly as possible and at the appropriate time will enter into commercial arrangements between the two companies.

The Co-operation Agreement is non-binding but is a fair reflection of the intentions of both parties.

End

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