

16 October 2018

Dear Shareholder

PanTerra Gold Limited – pro-rata non-renounceable rights issue

PanTerra Gold Limited (ACN 008 031 034) (**PanTerra**) is undertaking a 2:3 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 86,574,897 fully paid ordinary shares (**New Shares**) to raise approximately \$2,164,372. The price of New Shares under the Offer is \$0.025 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 15 October 2018.

The Offer is partially underwritten by CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848) (**Underwriter**). The Company must pay the Underwriter an underwriting fee of 4% of the underwritten amount (plus GST), a management fee of 1% of the total amount raised, a placement fee of 5% of any shortfall placed by the Underwriter beyond the underwritten amount and a \$40,000 lead manager fee. The Company must also reimburse the Underwriter for costs incidental to the Offer.

The funds raised from the Offer are planned to be used to fund the Preliminary Feasibility Study for Stage 1 of the La Demajagua Gold Project in Cuba as announced by the Company on 15 October 2018.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (AEDT) on 18 October 2018, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 86,574,897 New Shares resulting in total Shares on issue of approximately 216,437,242.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Pamela Bardsley, PanTerra's Company Secretary, on +61 2 4861 1740.

Yours sincerely

A handwritten signature in black ink that reads "Brian Johnson". The signature is written in a cursive style with a large, looping initial "B" and a distinct "J" at the end.

Brian Johnson
Executive Chairman