

16 October 2018

Dear Optionholder,

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.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5:00pm (AEDT) on 18 October 2018 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at 55 Kirkham Road Bowral NSW 2576:

- (a) A notice of exercise of options (attached to this letter);

- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to “PanTerra Gold Limited”.

To ensure that your New Shares are allotted prior to the Record Date, the above must be received by PanTerra Gold Limited **no later than 5:00pm (AEDT) on 18 October 2018**. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. 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, looped initial 'B'.

Brian Johnson
Executive Chairman

PanTerra Gold Limited

ABN 48 008 031 034

Notice of Exercise of Options Expiring 31 December 2018

To: **Company Secretary**
PanTerra Gold Limited
PO Box 846
Bowral NSW 2576
Phone: +61 2 4861 1740

I/We hereby exercise option(s) and herewith tender the total payment of

\$

being 15 cents per share on application for ordinary shares in the capital of the Company.

I/We request that you allot me/us that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHESSE holdings statement) is

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

**Sole Director and
Sole Company Secretary**

Day/Date Month Year

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

LODGEMENT INSTRUCTIONS

**FUNDS SHOULD BE ELECTRONICALLY TRANSFERRED TO:
PANTERRA GOLD LIMITED
NATIONAL AUSTRALIA BANK
BSB: 082 711
ACCOUNT NO. 754627205
SWIFT CODE: NATAAU3302S**