



ASX Announcement

PanTerra Gold Limited

LA DEMAJAGUA GOLD PROJECT, CUBA

ASX: PGI

PanTerra Gold Limited (ASX: PGI) (PanTerra Gold or the “Company”) advises that following the recent selection of the PanTerra Gold Group by the Cuban Government’s mining company, GeoMinera SA, as its 49% joint venture (“JV”) partner for the development of their La Demajagua refractory gold deposit, the Company has received a draft JV Agreement, Articles of Association for the JV Company, and a timetable for completion of its incorporation and negotiations by 31 January 2019.

All relevant documentation will then be submitted to the Ministry of Foreign Trade and Investment for approval which is expected to take up to 90 days.

In accordance with its proposal to GeoMinera, the Company has initiated the incorporation of a new subsidiary, PanTerra Gold Investments Limited (“PGIL”), to invest in the Cuban registered JV Company.

PGIL will initially be capitalised at US\$2.0 million with the funds earmarked for conduct of a Preliminary Feasibility Study (“PFS”). The PFS will cover the first stage open pit operation which is expected to support a seven or eight year mine life prior to establishing underground operations.

The PFS will include recovering drill core from 10 representative holes in the ore body for metallurgical test work and the establishment of likely gold recoveries.

The PFS is expected to be completed by mid-2019 and replicate the robust results of a Preliminary Economic Assessment (“PEA”) undertaken internally by the Company. The PEA included results from a recent report on the La Demajagua geology and a prefeasibility study of the open pit potential of the proposed project prepared for GeoMinera by experienced English and Canadian consultants.

The La Demajagua ore body has had over 50,000 metres of drilling in the past. The Company’s Australian consultants have reviewed the existing data base and Whittle pit shell, and have developed a two-stage 16,500m drilling program that will provide mineralisation intercepts on a 50 x 50m spacing with infill to 50x 25m, which should be sufficient to generate a JORC indicated resource. It is expected that this drilling will be carried out in Q3 2019 as part of a Definitive Feasibility Study for the project.

If the project proceeds, major components of the Group’s existing 200,000 tpa Albion/CIL processing plant in the Dominican Republic could be relocated to La Demajagua after it becomes redundant in Q3 2019 and incorporated in a reconfigured process plant designed to treat 80,000 tpa of concentrate and produce up to 80,000 oz Au equivalent per year.

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