



ASX Announcement

PanTerra Gold Limited

ASX: PGI

THE SUPREME COURT OF THE DOMINICAN REPUBLIC CONFIRMS PANTERRA GOLD'S SUBSIDIARY IS EXEMPT FROM PAYMENT OF INCOME TAX FOR ITS LAS LAGUNAS PROJECT

PanTerra Gold Limited (or the Company, ASX Code : PGI) is pleased to announce that the Supreme Court of the Dominican Republic has ruled in favour of PGI's subsidiary, EnviroGold (Las Lagunas) Limited ("EVGLL") being exempt from income taxation for its Las Lagunas gold project.

The Dominican Government has repeatedly attempted to assess EVGLL for provisional taxation including interest and penalties that have had to be defended through two levels of Appeals Courts by EVGLL with both resultant judgements in EVGLL's favour.

Despite this, and the clarity of the wording as it applies to taxation exemptions in the "Special Contract" between EVGLL and the Government which establishes the commercial terms for the conduct of the project, the Government chose to appeal the previous decisions of the Appeals Courts to the Supreme Court which has now handed down a judgement rejecting the Government's appeal.

Hopefully this will put an end to the matter, however EVGLL will still proceed to arbitration in an attempt to recover the costs of legal defences, and to clarify that no tax is payable by EVGLL on sales of plant or equipment on completion of the project, or its export by EVGLL to a new project.

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