



ASX Announcement

PanTerra Gold Limited

PANTERRA GOLD SIGNS JOINT VENTURE AGREEMENT FOR LA DEMAJAGUA GOLD/ SILVER PROJECT IN CUBA

PanTerra Gold Limited (**ASX: PGI**) (**PanTerra Gold or Company**) advises that the Joint Venture Agreement (“JVA”) between subsidiary, PanTerra Gold Investments Limited (“PGIL”), and Gold Caribbean Mining SA (“GCM”) was signed in Havana on 6 August 2020.

GCM, a subsidiary of Government owned mining company, GeoMinera SA (“GMSA”), will hold 51% of the Joint Venture to develop the La Demajagua gold / silver mine on the Isle of Youth in SW Cuba, and PGIL will hold 49%.

Results from 55,000m of previous drilling of the La Demajagua deposit and associated metallurgical test work, primarily undertaken by Canadian mining companies, have been made available to PGIL. The drill results have been modelled by Western Australian mining consultants who have established substantial non JORC compliant resources for the deposit.

As soon as the pandemic restrictions on travel to Cuba are lifted, the joint venture company, Minera La Victoria SA (“MLV”), will commence a 15,000m drilling program committed to establishing an initial Indicated JORC Resource for the property and provide confirmation of potential extensions of the ore body along strike and at depth.

MLV will also commence a Preliminary Feasibility Study (“PFS”) for the project which will cost in the order of US\$2.5 million (including the initial drilling program) over a 10 month period. A Definitive Feasibility Study including an additional 10,000m drilling program will follow the PFS and cost approximately US\$4.5 million over a 12 month period.

The PFS will review technical and commercial aspects of MLV’s development concept of mining 800,000tpa of ore from an open pit mine for 6 years, to produce in the order of 55,000tpa of concentrate with a target grade of 47g/t Au and 380g/t Ag (as determined by the past metallurgical test work of SGS Lakefield at their laboratory in Toronto).

The study will review the capital and operating costs for producing the concentrate, and also examine the viability of processing the concentrate in an Albion/CIL plant to produce dore for refining.

It is estimated that the capital cost for the proposed mine development and concentrator will be approximately US\$60 million, with an additional US\$60 million for an Albion/ CIL plant and US\$11.5 million for a standalone power station.

PGI has completed a Preliminary Economic Assessment for the proposed development which demonstrated an acceptable NPV at a US\$1500 per oz gold price, but is prohibited from providing the market with financial results or estimates of the available resources prior to establishing a JORC compliant Indicated Resource.

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Management

James Tyers, an executive director of PanTerra Gold, will oversee the proposed feasibility studies. It is anticipated that an experienced Spanish speaking mining executive will be appointed to manage the development following a decision to proceed, which is expected in Q4 of 2022.

The Company's Mining Engineer, who is currently based in the Dominican Republic, will relocate to Havana to co-ordinate the in-country elements of the feasibility studies, prior to taking up the role of Mine Manager.

Financing

Under the terms of the Joint Venture Agreement, PGIL will contribute US\$13 million equity to MLV for its 49% shareholding in the Stage One open pit mine. Approximately US\$7 million will be applied to feasibility studies, with the US\$6 million balance applied to expenditure on mine infrastructure.

GMSA will transfer ownership of the La Demajagua gold deposit to MLV for GCM's 51% shareholding.

If a decision is made by MLV at a future date to develop the Stage Two underground operation, as is expected, it will add a further 10 years to the life of the mine based on historic exploration data.

In this event, PGIL will contribute a further US\$13 million of share capital to MLV to maintain its 49% shareholding, which would be expended on additional drilling and mine development.

It is PGIL's responsibility to arrange third party project funding for the Stage One open pit development and the Company is confident that financing can be arranged with the support of credit available for the purchase of mining and processing equipment, despite US sanctions against Cuba.

This announcement has been authorised for release by the Chairman of PanTerra Gold Limited.

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