

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.

A copy of the Prospectus is available on ASX's and PanTerra's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 23 October 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Ltd (**Share Registry**) by no later than 5:00pm (AEDT) on 6 November 2018, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (AEDT) on 6 November 2018, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.025 per New Share).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Any New Shares not applied for by the Closing Date will become 'Shortfall Shares'. If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Shares. If you take up your Entitlement in full, you may also apply for Shortfall Shares (to the extent there is availability) in excess of your Entitlement by completing the relevant part of the Entitlement and Acceptance Form. The Company reserves the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the Shortfall Shares at their sole discretion in consultation with the Underwriter.

Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	15 October 2018
Lodgement of Prospectus & Appendix 3B with ASX	15 October 2018
Notice sent to Optionholders	16 October 2018
Notice sent to Shareholders	16 October 2018
Ex date	17 October 2018
Record Date for determining Entitlements	18 October 2018
Prospectus sent out to Shareholders & Company announces this has been completed	23 October 2018
Closing Date*	6 November 2018
Shares quoted on a deferred settlement basis	7 November 2018
ASX notified of under subscriptions	9 November 2018
Issue date/Shares entered into Shareholders' security holdings	13 November 2018
Quotation of Shares issued under the Offer*	14 November 2018

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, 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, prominent initial "B".

Brian Johnson
Executive Chairman