Appendix 4D

Half-year report

for the half-year ended 30 June 2019

*Expressed in **United States dollars** unless otherwise stated*

Results for announcement to the market

This information should be read in conjunction with the attached consolidated financial report for the half-year ended 30 June 2019 of PanTerra Gold Limited

	Consolidated Six months 30 June 2019 US$	Consolidated Six months 30 June 2018 US$ *Restated	Percentage increase/ (decrease)
Revenues from ordinary activities	**21,062,244**	26,996,358	(22%)
Profit/ (Loss) from ordinary activities after tax attributable to the owners of PanTerra Gold Limited	**1,540,562**	2,543,769	(39%)
Net Profit / (Loss) for the year attributable to the owners of PanTerra Gold Limited	**1,539,911**	2,670,646	(42%)
EBITDA	**4,695,727**	9,554,798	(51%)
NET TANGIBLE ASSETS			
Net tangible assets per ordinary share	**(0.0035)**	(0.0116)	(70%)
EARNINGS PER SHARE			
Basic earnings / (loss) cents per share	**0.73**	1.97	(63%)
Diluted earnings / (loss) cents per share	**0.73**	1.97	(63%)

DIVIDEND INFORMATION

There were no dividends paid, recommended or declared during the current financial period.
There were no dividends paid, recommended or declared during the previous financial period.

Explanation of Results

Please refer to the commentary included in the Directors' Report and accompanying Australian Securities Exchange ("ASX") releases for an explanation of results.

*Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments made – refer to Note 27 of the 30 June 2019 financial statements.

PanTerra Gold Limited

ABN 48 008 031 034

Financial Report

for the half-year ended

30 June 2019

CORPORATE INFORMATION

ABN 48 008 031 034

DIRECTORS

Brian Johnson *Executive Chairman*
James Tyers *Executive Director*
Ugo Cario *Non-Executive Director*
Angela Pankhurst *Non-Executive Director*

COMPANY SECRETARY

Angela Pankhurst

REGISTERED OFFICE

55 Kirkham Road
Bowral NSW 2576
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

55 Kirkham Road
Bowral NSW 2576
AUSTRALIA

Phone: +61 2 4861 1740

SHARE REGISTER

Computershare Investor Services Pty Ltd
Level 4, 60 Carrington Street
SYDNEY NSW 2000

Phone: 1300 855 080

PanTerra Gold Limited shares are listed on the Australian Securities Exchange.

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of PanTerra Gold Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2019.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Brian Johnson	Executive Chairman
James Tyers	Executive Director
Ugo Cario	Non-Executive Director
Angela Pankhurst	Non-Executive Director

PRINCIPAL ACTIVITIES & REVIEW OF OPERATIONS

The principal activities of the Group during the half-year were:

- the operation of a process plant at Las Lagunas in the Dominican Republic to extract gold and silver from Government owned refractory tailings from the Pueblo Viejo mine; and
- evaluation of potential projects that might utilise the Las Lagunas plant after completion of the tailings retreatment operation in December 2019.

There have been no significant changes in the nature of the Group's activities.

OPERATING RESULTS

Metal sales for the period from the Las Lagunas gold/silver project were US$21,049,451 [2018: US$26,983,623].

Net cash inflows from operations after interest paid were US$1,890,742 [2018: US$7,739,595].

Earnings before interest, depreciation and amortisation (EBITDA) for the half year were US$4,695,727 [2018: US$9,554,798]. The consolidated net profit for the period was US$1,540,502 [2018: US$2,543,769].

The net assets of the Group at balance date were US$4,313,751 [31 December 2018: US$2,773,840].

Cash and cash equivalents as at the balance date were US$8,889,452 [31 December 2018: U$7,777,792], while non-current amount held as deposits as at balance date were US$1,000,000 [31 December 2018: US$1,000,000]. External borrowings (undiscounted principal) as at the balance date were:

OPERATING RESULTS (continued)

	30 Jun 2019 US$	30 Jun 2018 US$	
ALCIP Capital LLC	-	2,256,335	Secured Project loan
BanReservas	**685,000**	1,757,500	Unsecured Project loan
BanReservas	**1,315,000**	3,492,500	Unsecured Credit facility
Shareholders	**2,244,352**	2,363,264	Unsecured loans
Central American Mezzanine Infrastructure Fund ("CAMIF")	-	3,900,000	Redeemable Preference Shares

REVIEW OF OPERATIONS

Las Lagunas Gold Tailings Project

The Las Lagunas gold tailings project is located approximately 105km to the north of Santo Domingo, the capital of the Dominican Republic. The Dominican Republic occupies the eastern two-thirds of Hispaniola, a Caribbean island of the Greater Antilles arc lying between Cuba to the west and Puerto Rico to the east.

The Las Lagunas tailings were generated between 1992 and 1999 through the processing of refractory ores from the Pueblo Viejo mine when owned and operated by Rosario Dominicana S.A, a State owned mining company. The refractory nature and metallurgical complexity of the ore resulted in poor recoveries of gold and silver when treated by conventional carbon in leach/cyanidation methods, resulting in significant tonnages of +3g/t Au material reporting to the Las Lagunas tailings storage facility.

The low recoveries and depressed gold price at the time resulted in the operations at Pueblo Viejo being closed in 1999 when the mine was placed on care and maintenance.

The Dominican State called international tenders for the evaluation and exploitation of the Las Lagunas tailings in October 2003 as a component of environmental remediation programs, and a consortium of investors, PanTerra Gold Technologies Pty Ltd (formerly EnviroGold Holdings Pty Ltd), Nanking Holdings Limited, and Grimston World Inc, established EnviroGold (Las Lagunas) Limited (formerly Las Lagunas Limited) to bid. The consortium's bid was based on the use of Xstrata Technology's (now Glencore Technologies) patented Albion Process to oxidise the refractory tailings prior to conventional cyanide leaching.

EnviroGold (Las Lagunas) Limited was declared the successful bidder for the project on 12 March 2004 and a Development Agreement with the Government was signed on 28 April 2004. Since then, PanTerra Gold Technologies Pty Ltd has acquired the minority shareholdings and now holds 100% of the issued shares of EnviroGold (Las Lagunas) Limited, which is currently undertaking the Las Lagunas gold/silver project.

The Agreement with the Dominican State grants EnviroGold (Las Lagunas) Limited the right to retreat the refractory tailings contained within the Las Lagunas dam, and retain profits after the payment to the Government of royalties, and a 25% share of cash flow once the Project has recouped all construction costs.

Operations

The Company is utilizing Glencore Technologies' patented Albion process to oxidise concentrated refractory tailings at Las Lagunas before extracting precious metals through a standard carbon in leach ("CIL") circuit.

REVIEW OF OPERATIONS (continued)

Las Lagunas Gold Tailings Project (continued)

The Las Lagunas Albion/CIL process plant was the world's first application for extracting precious metals from refractory ore, and encountered problems with design and equipment after construction was completed in 2012. Plant modifications since then have resulted in improved gold and silver recoveries, but they are still 30% below those anticipated by pilot plant testwork during the feasibility study for the project.

Plant feed for the period was 244,164mt. As at 30 June 2019, 300,000mt of tailings remained to be treated over a period of approximately six months.

Competent Person Statement

Las Lagunas, Dominican Republic

The Indicated Resource for the Las Lagunas project was based on, and fairly represents, information and supporting documentation compiled by Rick Adams, BSc MAusIMM MAIG, Director Geological Resource Services who is a consultant to PanTerra Gold Limited. Mr Adams is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Adams consents to the inclusion of the matters in the report based on information in the form and context in which it appears.

CHANGE IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

SUBSEQUENT EVENTS

BanReservas

BanReservas has been paid a final principal repayment of US$2,000,000 as per terms of the loan. This facility is now fully repaid.

Shareholder loans

All Shareholder loans, totalling A$3,200,000 (US$2,244,352) have been repaid in full.

CAMIF Share buy back

The Company proposes to buy back and then cancel the purchase of 15,759,677 of its shares from the Central American Mezzanine Infrastructure Fund (CAMIF), and its associate Argia Investments LLC, at a cost of 1.5 cents per share (A$236,395), subject to shareholder approval at an Extraordinary Meeting to be held in October 2019.

CAMIF's charter prevents it from investing directly or indirectly in domiciles other than nominated Latin American countries, including the Dominican Republic. CAMIF have advised the Company that with the Las Lagunas project coming to an end in December 2019 they intend to sell their shares before the end of this year. The buyback will prevent a serious overhang in the illiquid market for the Company's shares, with the planned reduction of 7.5% of the shares on issue also benefiting remaining shareholders.

AUDITORS' INDEPENDENCE DECLARATION

In accordance with the Audit Independence requirements of the *Corporations Act* 2001, the directors have received and are satisfied with the "Auditors' Independence Declaration" provided by the company's external auditors HLB Mann Judd. The Auditors' Independence Declaration has been attached immediately after the Directors' Report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3)(a) of the *Corporations Act* 2001.

Brian Johnson
Executive Chairman
30 August 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the half-year financial report of PanTerra Gold Limited for the half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
30 August 2019

M R Ohm
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Note	30 Jun 2019	30 Jun 2018 *Restated
		US$	US$
Revenue	3	21,062,244	26,996,358
Other income	4	-	303,774
Changes in metal inventories		460,898	141,009
Mining and mill feed costs		(870,963)	(963,708)
Consumables		(3,467,328)	(4,121,397)
Grid power		(3,277,209)	(3,477,330)
Equipment spares and maintenance		(2,209,727)	(2,106,191)
Direct labour costs		(2,422,187)	(2,943,285)
Site and camp costs		(852,508)	(948,774)
Royalties		(671,245)	(1,113,870)
Employee benefits – non-direct	5	(465,501)	(625,398)
Insurance costs		(321,982)	(340,292)
Occupancy costs		(41,431)	(58,169)
Legal and professional costs		(136,319)	(202,782)
Depreciation and amortisation expense	12, 13, 14	(2,226,499)	(5,295,990)
Finance costs	6	(928,666)	(1,715,039)
Project evaluation costs		(318,895)	(482,796)
Foreign exchange profit/(loss)		51,917	(71,712)
Government profit share		(1,439,046)	-
Other expenses		(384,991)	(430,639)
Profit / (Loss) before income tax expense		**1,540,562**	**2,543,769**
Income tax benefit / (expense)		-	-
Profit / (Loss) for the period from continuing operations		**1,540,562**	**2,543,769**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation movement		(651)	126,877
Total other comprehensive income net of tax for the half-year		**(651)**	**126,877**
Total comprehensive income for the half-year		**1,539,911**	**2,670,646**
Attributable to: Owners of the Parent		**1,539,911**	**2,670,646**
Total comprehensive income for the half-year attributable to members of the parent		**1,539,911**	**2,670,646**

		Cents	Cents *Restated
Basic earnings / (loss) per share (cents per share)	24	0.73	1.97
Diluted earnings / (loss) per share (cents per share)	24	0.73	1.97

*Certain amounts shown here do not correspond to the 2018 financial statements and reflect adjustments made – refer to Note 27

The above Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30 Jun 2019 US$	31 Dec 2018 *Restated US$
CURRENT ASSETS			
Cash and cash equivalents	7	8,889,452	7,777,792
Trade and other receivables	8	1,087,171	1,355,402
Prepayments and deposits	9	82,135	1,392,718
Inventories	10	2,475,097	1,987,411
TOTAL CURRENT ASSETS		**12,533,855**	**12,513,323**
NON – CURRENT ASSETS			
Other financial assets	11	1,000,000	1,000,000
Property, plant and equipment	12	2,879,946	4,907,515
Right-of-use assets	13	50,942	-
Intangible assets	14	5,043,133	5,217,501
Investments	15	223,734	228,443
TOTAL NON – CURRENT ASSETS		**9,197,755**	**11,353,459**
TOTAL ASSETS		**21,731,610**	**23,866,782**
CURRENT LIABILITIES			
Unearned revenue	3	1,011,821	-
Trade and other payables	16	5,005,600	6,705,680
Provisions	17	5,421,710	3,831,432
Borrowings	18	5,238,201	7,676,538
Leases	13	52,374	-
TOTAL CURRENT LIABILITIES		**16,729,706**	**18,213,650**
NON – CURRENT LIABILITIES			
Provisions	19	688,153	2,879,292
TOTAL NON – CURRENT LIABILITIES		**688,153**	**2,879,292**
TOTAL LIABILITIES		**17,417,859**	**21,092,942**
NET ASSETS		**4,313,751**	**2,773,840**
EQUITY			
Contributed equity	20	79,754,021	79,754,021
Reserves	21	(2,465,217)	(2,464,566)
Accumulated losses		(72,975,053)	(74,515,615)
TOTAL EQUITY		**4,313,751**	**2,773,840**

*Certain amounts shown here do not correspond to the 2018 financial statements and reflect adjustments made – refer to Note 27

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Ordinary Shares $US	Equity Reserve $US	Options Reserve $US	Performance Rights Reserve $US	Foreign Currency Translation Reserve $US	Accumulated Losses $US	Total $US
Balance as at 1 January 2019	79,754,021	(11,773,880)	3,920,449	1,386,963	4,001,902	(73,001,278)	**4,288,177**
Adjustments on correction of errors (Note 27)	-	-	-	-	-	(1,514,337)	**(1,514,337)**
Balance as at 1 January 2019 (restated*)	**79,754,021**	**(11,773,880)**	**3,920,449**	**1,386,963**	**4,001,902**	**(74,515,615)**	**2,773,840**
Profit for the period	-	-	-	-	-	1,540,562	**1,540,562**
Other comprehensive income	-	-	-	-	(651)	-	**(651)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(651)**	**1,540,562**	**1,539,911**
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2019	**79,754,021**	**(11,773,880)**	**3,920,449**	**1,386,963**	**4,001,251**	**(72,975,053)**	**4,313,751**

*Certain amounts shown here do not correspond to the 2018 financial statements and reflect adjustments made – refer to Note 27

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Ordinary Shares	Equity Reserve	Options Reserve	Performance Rights Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$US	$US	$US	$US	$US	$US	$US
Balance as at 1 January 2018	78,406,299	(11,773,880)	3,920,449	1,378,768	3,789,148	(64,085,762)	**11,635,022**
Adjustments on correction of errors (Note 27)	-	-	-	-	-	(1,876,835)	**(1,876,835)**
Balance as at 1 January 2018 (restated*)	**78,406,299**	**(11,773,880)**	**3,920,449**	**1,378,768**	**3,789,148**	**(65,962,597)**	**9,758,187**
Profit for the period as reported in the 30 June 2018 financial statements	-	-	-	-	-	2,181,271	**2,181,271**
Adjustments on correction of errors (Note 27)	-	-	-	-	-	362,498	**362,498**
Restated profit for the period	-	-	-	-	-	2,543,769	**2,543,769**
Other comprehensive income	-	-	-	-	126,877	-	**126,877**
Total comprehensive income for the period (restated*)	**-**	**-**	**-**	**-**	**126,877**	**2,543,769**	**2,670,646**
Transactions with owners in their capacity as owners:							
Share based payment	-	-	-	8,196	-	-	**8,196**
Balance as at 30 June 2018 (restated*)	**78,406,299**	**(11,773,880)**	**3,920,449**	**1,386,964**	**3,916,025**	**(63,418,828)**	**12,437,029**

*Certain amounts shown here do not correspond to the 2018 financial statements and reflect adjustments made – refer to Note 27

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2019

	30 Jun 2019 US$	30 Jun 2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from metal sales	22,329,522	27,006,383
Receipts from insurance claims	-	230,993
Payments to suppliers and employees	(15,671,752)	(16,800,317)
Payments for project evaluation activities	(197,907)	(482,796)
Interest received	12,793	12,735
Interest paid	(2,254,507)	(2,227,403)
Payments of Government profit share	(2,327,407)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**1,890,742**	**7,739,595**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(257,893)
Receipts from redeemed term deposits	1,000,000	
NET CASH USED IN INVESTING ACTIVITIES	**1,000,000**	**(257,893)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,755,952)	(3,302,112)
Lease payments	(23,130)	-
NET CASH USED IN FINANCING ACTIVITIES	**(1,779,082)**	**(3,302,112)**
NET DECREASE IN CASH HELD	**1,111,660**	**4,179,590**
Cash at the beginning of the financial period	7,777,792	4,150,990
CASH AT THE END OF FINANCIAL PERIOD	**8,889,452**	**8,330,580**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Reporting Entity

PanTerra Gold Limited (the "Company") is a public company, listed on the Australian Securities Exchange, incorporated and domiciled in Australia. The address of the Company's registered office is 55 Kirkham Road, Bowral, NSW, 2576. This half-year financial report covers the consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity") as at 30 June 2019. The half-year financial report is presented in US dollars, which is the consolidated entity's functional and presentational currency.

(b) Basis of preparation

These financial statements for the half-year ended 30 June 2019 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act* 2001.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 31 December 2018 and considered together with any public announcements made by PanTerra Gold Limited during the half-year ended 30 June 2019 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

This is the first set of the Group's financial statements where AASB 16 has been applied. Changes to significant accounting policies are described in paragraph (c) below.

(c) Changes in significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

(I) AASB 16 *Leases*

The Group applied AASB 16 *Leases* with a date of initial application of 1 January 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and IFRIC 4. The details of the changes in accounting policies are disclosed below.

Policy applicable from 1 January 2019

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under AASB 16, the Group assesses whether a contract is or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. Recognition of right-of-use assets and lease liabilities

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases – ie. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases (expiring less than 12 months from initial application of AASB 16). For leases of other assets, which were classified as operating under AASB 117, the Group recognised right-of-use assets and lease liabilities.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as separate line items in the relevant sections of the Statement of Financial Position and additional information is shown in note 13.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Under AASB 117

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

(d) New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 17: Insurance Contracts (applicable to annual reporting periods beginning on or after 1 January 2021):

When effective, this Standard will replace the current accounting requirements applicable to insurance contracts in AASB 4, AASB 1023 and AASB 1038. The directors anticipate that the adoption of AASB 17 will not have an impact on the Group's financial statements.

(e) Going concern

The Group earned a profit of US$1,540,562 for the half-year ended 30 June 2019 [2018: US$2,543,769]. Net cash inflows from operations after interest paid for the six months ending 30 June 2019 were US$1,890,742 [2018: US$7,739,595]. The net cash flow from operations is only for six months, therefore the yearly equivalent is approximately US$6,000,000. As at 30 June 2019, the Group's current liabilities exceeded its current assets by US$4,195,851 [2018: US$5,700,327]. Included in current liabilities is US$993,849 [2018: US$3,121,161] of capitalised interest and royalties. The Group's Las Lagunas Gold Tailings Project is due to come to an end in the second half of 2019.

The Directors are of the opinion that the Group is a going concern as the 18 month cash flow forecast indicates it will remain cash positive. Included in the cash flow forecast are proceeds from the expected sale of project assets. Should the sale of project assets not occur or at expected sale prices there is a material uncertainty that may cast significant doubt as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business.

(f) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued for no consideration in relation to dilutive potential ordinary shares issued during the year.

Diluted earnings per share adjusts the figures in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2. SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segment is identified by management by project – discrete financial information about this operating segment is reported to the executive management team on at least a monthly basis. Management has identified the Las Lagunas project and its Albion/CIL plant design as the group's main operating segments. Other segment information comprises a variety of projects that do not meet the definition of an operating segment on a quantitative basis.

The following tables present revenue and profit information for business segments for the half year ended 30 June 2019 and 30 June 2018, and assets and liabilities information for the half year ended 30 June 2019 and full year ended 31 December 2018:

Information about reportable segments

	Las Lagunas Project		Albion/CIL Plant Design		Others		Consolidated	
	30 Jun 2019 US$	30 Jun 2018 US$ (Restated)	30 Jun 2019 US$	30 Jun 2018 US$	30 Jun 2019 US$	30 Jun 2018 US$	30 Jun 2019 US$	30 Jun 2018 US$ (Restated)
External Revenue	**21,049,451**	26,983,623	**-**	-	**-**	-	**21,049,451**	26,983,623
Inter segment revenue	**-**	-	**-**	-	**-**	-	**-**	-
Interest revenue	**729**	2,046	**-**	-	**12,064**	10,689	**12,793**	12,735
Interest expense	**(488,024)**	(617,822)	**-**	-	**(440,642)**	(1,097,217)	**(928,666)**	(1,715,039)
Depreciation and amortisation	**(2,040,377)**	(3,340,982)	**(174,369)**	(1,705,880)	**(11,753)**	(249,128)	**(2,226,499)**	(5,295,990)
Other Income	**-**	(149,870)	**-**	-	**-**	453,644	**-**	303,774
Reportable segment profit/(loss) before income tax	**3,143,133**	6,669,310	**(174,369)**	(1,705,880)	**(1,428,202)**	(2,419,661)	**1,540,562**	2,543,769
Other material non-cash items								
Foreign exchange gain/(loss)	**8,885**	(15,444)	**-**	-	**43,032**	(56,268)	**51,917**	(71,712)

2. SEGMENT REPORTING (continued)

	Las Lagunas Project		Albion/CIL Plant Design		Others		Consolidated	
	30 Jun 2019 US$	31 Dec 2018 US$ (Restated)	30 Jun 2019 US$	31 Dec 2018 US$	30 Jun 2019 US$	31 Dec 2018 US$	30 Jun 2019 US$	31 Dec 2018 US$ (Restated)
Segment assets	**15,306,456**	15,281,273	**5,043,133**	5,217,501	**26,439,250**	29,571,119	**46,788,839**	50,069,893
Capital expenditure	**-**	387,188	**-**	-	**-**	1,915	**-**	389,103
Segment liabilities	**20,547,918**	17,176,866	**-**	-	**32,945,246**	34,820,346	**53,493,164**	51,997,209

2. SEGMENT REPORTING (continued)

	30 Jun 2019 US$	30 Jun 2018 US$
Revenue		
Total revenue for reportable segments	21,049,451	26,983,623
Consolidated revenue	**21,049,451**	**26,983,623**

All revenue originates out of the Dominican Republic and is sold to MKS (Switzerland) S.A.

	30 Jun 2019 US$	31 Dec 2018 US$
Assets		
Total Assets for reportable segments	46,788,839	50,069,893
Elimination of investments in subsidiaries	(17,344,731)	(17,869,962)
Elimination of intercompany loans and interest	(36,075,305)	(30,904,267)
Elimination of provision for intercompany loans	27,618,788	21,800,000
Elimination of head office expenses charged to Las Lagunas project	744,019	771,118
Consolidated total assets	**21,731,610**	**23,866,782**

	30 Jun 2019 US$	31 Dec 2018 US$ (Restated)
Liabilities		
Total liabilities for reportable segments	53,493,164	51,997,209
Elimination of intercompany loans and interest	(36,075,305)	(30,904,267)
Consolidated total liabilities	**17,417,859**	**21,092,942**

Geographical Information

Geographical non-current assets	30 Jun 2019 US$	31 Dec 2018 US$
Dominican Republic	3,906,102	6,676,684
Australia	5,291,653	4,676,775
	9,197,755	**11,353,459**

3. REVENUE

	30 Jun 2019 US$	30 Jun 2018 US$
Revenue from continuing operations		
Sales revenue		
Sales of gold	20,499,126	26,054,346
Sales of silver	758,575	1,088,057
Less: Refinery and freight costs	(221,507)	(159,827)
Other sales revenue	13,257	1,047
	21,049,451	**26,983,623**
Other revenue		
Interest received	12,793	12,735
	21,062,244	**26,996,358**

Recognition and measurement

Nature of goods and services

All of the Group's revenue is generated from the sale of the gold and silver produced from its mining operation in the Dominican Republic. All doré material produced is shipped on a weekly basis to the customer (refinery) and is sold at the prevailing gold and silver spot prices. A provisional payment of 95% of the estimated value of the shipment is paid 3 business days after shipment and the final payment is received within 21 days from shipment date. The Group has concluded there is no significant financing associated with each sale.

Under AASB 15, each shipment is a separate customer contract whereby revenue is recognised at a point in time upon shipment. The full risk of the material passes to the customer when the customer issues its receipt after it takes delivery. The final shipment of the current reporting period was shipped on 28 June 2019, however the customer did not issue their receipt until 1 July 2019, therefore the performance obligation for this contract had not been satisfied at balance date. As a result the revenue associated with this shipment is recorded as unearned revenue in the amount of US$1,011,821 in the Consolidated Statement of Financial Position for the current reporting period [2018: Nil].

Disaggregation of revenue

Revenue is disaggregated by major product lines and refinery costs are shown as a deduction to arrive at the net revenue figure. The above table displays the disaggregation of revenue and reconciles to the external revenue figure as disclosed in note 2 - Segment Reporting.

4. OTHER INCOME

	30 Jun 2019 US$	30 Jun 2018 US$
Net (loss) / gain on adjustment to carrying amount of financial liability	-	192,462
Insurance claims received	-	111,312
	-	**303,774**

5. PROFIT / (LOSS) BEFORE TAX

	30 Jun 2019 US$	30 Jun 2018 US$
Profit / (Loss) includes, amongst others, the following:		
Employee costs – salaries	398,760	550,977
Employee costs – superannuation	27,524	30,815
Employee costs – other	33,733	28,490
Payroll tax	5,484	6,920
Equity settled share-based payments	-	8,196
	465,501	**625,398**

6. FINANCE COSTS

		30 Jun 2019 US$	30 Jun 2018 US$
Interest on loan borrowings	(i)	924,809	1,288,090
Other borrowing costs		2,323	426,949
Lease interest		1,534	-
		928,666	**1,715,039**

(i) Included in interest on loan borrowings is (US$682,384) [2018: (US$937,936)] relating to effective interest rate adjustments.

7. CASH AND CASH EQUIVALENTS

For the purpose of the half-year Statement of Cash Flows, cash and cash equivalents are comprised of the following:

	30 Jun 2019 US$	31 Dec 2018 US$
Cash at bank and on hand	8,850,877	7,739,115
Cash on deposit	38,575	38,677
	8,889,452	**7,777,792**

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	30 Jun 2019 US$	31 Dec 2018 US$
Trade receivables	1,087,171	1,355,402
	1,087,171	**1,355,402**

9. PREPAYMENTS & DEPOSITS

	30 Jun 2019 US$	31 Dec 2018 US$
Prepayments and bonds	82,135	392,718
Term deposit	-	1,000,000
	82,135	**1,392,718**

10. INVENTORIES

	30 Jun 2019 US$	31 Dec 2018 US$
Metal on hand and in circuit – at cost	561,903	620,389
Metal in transit – at cost	519,383	-
Processing consumables – at cost	1,355,176	1,255,022
Maintenance spares – at net realisable value	38,634	112,000
	2,475,097	**1,987,411**

11. DEPOSITS

		30 Jun 2019 US$	31 Dec 2018 US$
Utility Deposit	(i)	1,000,000	1,000,000
		1,000,000	**1,000,000**

(i) Deposit with electricity provider.

12. PROPERTY, PLANT & EQUIPMENT

30 June 2019	Mine Buildings and Plant US$	Plant and Equipment US$	Total US$
Cost			
Balance 1 January 2019	67,512,011	9,864,041	77,376,052
Additions	-	-	-
Balance 30 June 2019	**67,512,011**	**9,864,041**	**77,376,052**
Accumulated Depreciation			
Balance 1 January 2019	(42,974,056)	(9,636,150)	(52,610,206)
Depreciation expense	(1,844,848)	(182,721)	(2,027,569)
Balance 30 June 2019	**(44,818,904)**	**(9,818,871)**	**(54,637,775)**
Impairment			
Balance 1 January 2019	(19,858,331)	-	(19,858,331)
Balance 30 June 2019	**(19,858,331)**	**-**	**(19,858,331)**
Carrying Value 30 June 2019	**2,834,776**	**45,170**	**2,879,946**

31 December 2018	Mine Buildings and Plant US$	Plant & Equipment US$	Total US$
Cost			
Balance 1 January 2018	67,124,823	9,864,189	76,989,012
Additions	387,188	1,915	389,103
Sale or Disposal	-	(2,063)	(2,063)
Balance 31 December 2018	**67,512,011**	**9,864,041**	**77,376,052**
Accumulated Depreciation			
Balance 1 January 2018	(37,430,701)	(8,135,760)	(45,566,461)
Depreciation expense	(5,543,355)	(1,502,389)	(7,045,744)
Sale or Disposal	-	1,999	1,999
Balance 31 December 2018	**(42,974,056)**	**(9,636,150)**	**(52,610,206)**
Impairment			
Balance 1 January 2018	(8,081,551)	-	(8,081,551)
Impairment	(11,776,780)	-	(11,776,780)
Balance 31 December 2018	**(19,858,331)**	**-**	**(19,858,331)**
Carrying Value 31 December 2018	**4,679,624**	**227,891**	**4,907,515**

13. LEASE ASSETS AND LIABILITIES

The Group leases office premises in Bowral (Australia) and residential premises in Santo Domingo (Dominican Republic) for expatriate manager housing. Information about leases for which the Group is a lessee is presented below.

Right-of-use lease assets

	Office Premises US$	Residential Premises US$	Total US$
2019			
Balance at 1 January	34,590	40,913	75,503
Depreciation charge for the half year	(10,923)	(13,638)	(24,561)
Balance at 30 June	23,667	**27,275**	**50,942**

There were no additions to the right-of-use assets during the current reporting period.

Lease liabilities

	2019 US$
Maturity analysis – contractual undiscounted cash flows	
Less than one year	53,674
One to five years	-
More than five years	-
Total undiscounted lease liabilities at 30 June	**53,674**
Lease liabilities included in the statement of financial position at 30 June	**52,374**
Current	52,374
Non-current	-

Amounts recognised in profit or loss

	2019 US$
Interest on lease liabilities	224
Expenses relating to short-term leases	(47,428)

Amounts recognised in the statement of cash flows

	2019 US$
Total cash outflow for leases	(23,130)

14. INTANGIBLE ASSETS

	30 Jun 2019 US$	31 Dec 2018 US$
(a) Development costs		
Albion/CIL processing plant design costs		
Balance at the beginning of the period	5,217,502	7,353,031
Amortisation expense	(174,369)	(2,135,530)
Impairment	-	-
Closing balance	**5,043,133**	**5,217,501**
Total intangible assets	**5,043,133**	**5,217,501**

Impairment

The Group's Las Lagunas Gold Tailings Project is due to come to an end in the second half of 2019. The Directors have determined that this represents an impairment indicator. The cash-generating unit has been determined as being the assets associated with the Las Lagunas Gold Tailings Project and the Albion/CIL processing plant design costs. The cash-generating unit is comprised of Mine Buildings and Plant (US$2,834,776), other plant and equipment associated with the project ($45,170), Right-of-use Lease Assets (US$50,942), the Albion/CIL processing plant design costs (US$5,043,133), current assets (US$3,612,705), current liabilities (US$6,720,415) and the Provision for Site Restoration and Rehabilitation (US$2,753,573). The recoverable amount of the project was determined based on a value in use calculation using cash flow projections using financial budgets approved by management. The discount rate applied to the value in use assessment was 10 %. Based upon the value in use assessment, an impairment charge was not required.

15. INVESTMENTS

	30 Jun 2019 US$	31 Dec 2018 US$
Shares Black Dragon Gold Corp	223,734	228,443
	223,734	**228,443**

The Group subscribed for 11,000,000 shares in TSX Listed Black Dragon Gold Corp ("BDG") to assist in funding exploration of a Spanish gold prospect of interest to the company. In May 2018 BDG completed a consolidation of its issued and outstanding common shares on the basis of three (3) pre-consolidation common shares, options and warrants to one (1) post consolidation common share, option or warrant. BDG was listed on the ASX on 29 August 2018 (ASX: BDG) and de-listed from the TSX on 28 February 2019. The 3,666,666 post consolidation shares are shown at fair value through the profit or loss.

16. TRADE & OTHER PAYABLES (CURRENT)

	30 Jun 2019 US$	31 Dec 2018 US$ (Restated)
Trade Creditors - Current		
Other corporations	3,641,075	2,934,796
Director related entities	46,008	49,714
Accruals	1,318,517	3,721,170
	5,005,600	**6,705,680**

17. PROVISIONS (CURRENT)

		30 Jun 2019 US$	31 Dec 2018 US$
Site restoration and rehabilitation	19	2,143,948	-
Employee benefits (expected to be settled within 12 months)	(i)	1,916,082	1,581,391
Government profit share	(ii)	1,361,680	2,250,041
		5,421,710	**3,831,432**

(i) The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those employees who are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement.

(ii) Under the terms of the Special Contract between EnviroGold (Las Lagunas) Limited ("EVGLL") and the Dominican Republic Government ("DR Government"), EVGLL is required to make profit share payments (known as PUN payments) to the DR Government, once the cumulative cash flow from the operations at the Las Lagunas Gold Tailings project, for the first time exceeds the Recovery Amount. The Recovery Amount is defined as the total of the amounts invested by EVGLL to execute the Project. These amounts include the disbursements for capital equipment, development costs, and an initial contribution of working capital of $1,000,000. The amounts invested do not include interest paid or debt services, or engineering, project management and construction management provided by EVGLL's parent company.

The cumulative cash flows from operations first exceeded the Recovery Amount during 2018, therefore, a provision for Government profit share has been calculated as at the reporting date. The provision is based on the pro-rata value of the half year profit and the projected full year profit for the project.

18. LOANS & BORROWINGS (CURRENT)

		30 Jun 2019 US$	31 Dec 2018 US$
ALCIP Capital loan facility	(i)	993,849	1,676,234
BanReservas line of credit	26	2,000,000	3,750,000
Shareholder loans	26	2,244,352	2,250,304
		5,238,201	**7,676,538**

18. LOANS & BORROWINGS (CURRENT) (continued)

(i) The NPV amount of the remaining Gross Smelter Royalty and Price Participation payable to ALCIP Capital under the terms of the facility agreement was estimated at 30 June 2019 as US$993,849 (December 2018: US$1,676,234) using the effective interest rate method. The annual effective interest rate is calculated at 23.1% (2018: 23.1%) after all of the components of the loan have been fair valued.

19. PROVISIONS (NON-CURRENT)

		30 Jun 2019 US$	31 Dec 2018 US$ (Restated)
Site restoration and rehabilitation		609,625	2,605,624
Employee benefits		78,528	273,668
		688,153	**2,879,292**
Movements of restoration provision:			
Carrying amount at the start of the year		**2,605,624**	**277,290**
Provisions recognised during the period		147,949	20,540
Adjustment on correction of error	27	-	2,307,794
Carrying amount at the end of the period		**2,753,573**	**2,605,624**

20. CONTRIBUTED EQUITY

	30 Jun 2019 US$	31 Dec 2018 US$
(A) Paid Up Capital		
Ordinary shares fully paid	79,754,018	79,754,018
Non-redeemable preference shares	3	3
	79,754,021	**79,754,021**

	30 Jun 2019		31 Dec 2018	
	No. of Shares	US$	No. of Shares	US$
(B) Movements in ordinary shares on issue				
Beginning of the financial period	210,901,326	79,754,018	128,829,011	78,406,296
Vesting of performance share rights approved by shareholders 30 November 2010	-	-	1,033,334	-
Rights issue allotments	-	-	81,038,844	1,458,087
Exercise listed Options at AUD 15 cents	-	-	137	15
Capital raising costs	-	-	-	(110,380)
Balance	**210,901,326**	**79,754,018**	**210,901,326**	**79,754,018**

20. CONTRIBUTED EQUITY (continued)

(C) Terms and Conditions of Contributed Equity

Ordinary shares have no par value. Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote either in person or by proxy, at a meeting of the Company.

21. RESERVES

Foreign currency translation reserve

Exchange differences arising on translation of the Australian Parent Entity (PanTerra Gold Limited) and Australian Subsidiary (PanTerra Gold Technologies Pty Ltd) are taken to the foreign currency translation reserve.

Option reserve

The option reserve records the following items:

i) Directors and employees options granted and recognised as expenses;
ii) Options granted to Macquarie Bank Limited under the terms of its funding agreement with the consolidated entity;
iii) Proceeds received by PanTerra Gold Limited from a non-renounceable rights issue in January 2010;
iv) Options granted under the terms of shareholder loan agreements.

Fair value of options granted in items i) and ii) is independently determined using the Black Scholes option valuation methodology which takes into account the risk free interest rate and share price volatility.

Performance rights reserve

The performance rights reserve is used to recognise the fair value of performance rights issued to employees.

Equity reserve

The Equity reserve of $11,773,880 is a consequence of the consolidated entity acquiring 30% of the shares in EnviroGold (Las Lagunas) from Grimston World Inc. on 3 December 2010. The increase in ownership from 70% to 100% was accounted for as an equity transaction.

22. COMMITMENTS FOR EXPENDITURE

	30 Jun 2019 US$	31 Dec 2018 US$
Short-term lease commitments		
Committed at the reporting date but not recognised as liabilities payable:		
Within one year	36,178	55,800
One to five years	-	15,840
	36,178	**71,640**

23. LITIGATION AND CONTINGENT LIABILITIES

Status as at 30 June 2019 follows:

EnviroGold (Las Lagunas) Limited ("EVGLL") v Gruas Liriano

EVGLL filed a lawsuit in the Dominican Republic against crane operator, Gruas Liriano, for damages caused to one of its dredges. The amount claimed is approximately US$1.9 million being the out of pocket costs of recovering the damaged dredge, the costs of a replacement dredge (including shipping), and compensation for loss of revenue as a direct result of the loss of the dredge. Gruas Liriano has lodged a counter-claim against EVGLL for unpaid invoices to the value of approximately US$38,000.

DGII (Dominican tax authority) v EVGLL

Article 8.6.1.c of the Special Contract with the Dominican Republic Government for the exploitation of their Las Lagunas refractory tailings reads as follows for the benefit of subsidiary EnviroGold (Las Lagunas) Limited ("EVGLL"):

"Exemption on any type of tax, fee, duty, national or municipal, in effect at the time or that is established in the future during the term of this Contract."

Based on an opinion from the Group's legal counsel, and advice from EVGLL's tax agents in the Dominican Republic that no income tax is payable on profits from the Las Lagunas project, the Directors are confident that EVGLL is not liable for income tax.

However, the Dominican taxation department ("DGII") has issued assessments for "advance (provisional) taxation" resulting in significant legal costs challenging these assessments.

On 30 January 2018 the Superior Administrative Court found EVGLL was exempted from paying income tax under the terms of the Special Contract and accordingly was not required to pay advance taxation to DGII. DGII subsequently appealed the Court's decision before the Supreme Court of Justice, which has not yet heard the appeal.

In order to resolve this issue, a formal Notice of Dispute under the dispute resolution provisions of the Special Contract was lodged with the Government on 11 July 2018. As the matter was not resolved during the stipulated negotiation period, EVGLL is proceeding with Arbitration proceedings to resolve the dispute, which will be held in Washington, D.C., USA under the ICSID (International Centre for Settlement of Investment Disputes) Rules. The Arbitration hearing is likely to be heard in late 2019 or early 2020.

EVGLL v Dominican Republic Government

EnviroGold (Las Lagunas) Limited ("EVGLL") has submitted a Claim of US$15.2 million to the Dominican Republic Government for costs incurred to 31 December 2018 as a result of the Government's failure to provide a tailings dam site for construction of a storage facility for the Las Lagunas project in accordance with their obligations under the Special Contract for the Evaluation, Exploitation and Profit from the Las Lagunas Tailings Dam. As a consequence, EVGLL was forced to redeposit tailings after reprocessing, back into the existing Las Lagunas dam which resulted in additional operation costs.

The final amount of the Claim following completion of the Project is likely to be in the order of US$18 million.

It is probable the Government will dispute either or both the validity or amount of the Claim and the matter will go to Arbitration for resolution in the second half of 2020.

24. EARNINGS PER SHARE

	30 Jun 2019 US$	30 Jun 2018 *Restated US$
Numerator used for basic and diluted EPS:		
Profit / (Loss) after tax attributable to the owners of PanTerra Gold Limited	**1,540,562**	2,543,769

	Number of shares	
Weighted average number of ordinary shares outstanding during the half year used in calculating the basic and diluted EPS	**210,901,326**	128,829,011

*Certain amounts shown here do not correspond to the 2018 financial statements and reflect adjustments made – refer to Note 27

25. FINANCIAL INSTRUMENTS

The consolidated entity has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at 30 June 2019:

	Carrying Amount US$	Fair Value US$	Discount Rate
ALCIP Capital facility loan	993,849	1,234,388	23.1%

The fair values of the above borrowings are based on discounted cash flows using the rates disclosed in the table above. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including credit risk.

26. EVENTS SUBSEQUENT TO REPORTING DATE

BanReservas

BanReservas has been paid a final principal repayment of US$2,000,000 as per terms of the loan. This facility is now fully repaid

Shareholder loans

Following the full repayment of the BanReservas facility, all Shareholder loans, totalling A$3,200,000 (US$2,245,088) have been repaid in full.

CAMIF Share buy back

The Company proposes to buy back and then cancel the purchase of 15,759,677 of its shares from the Central American Mezzanine Infrastructure Fund (CAMIF) and its associate, Argia Investments LLC , at a cost of 1.5 cents per share (A$236,395), subject to shareholder approval at an Extraordinary Meeting to be held in October 2019.

26. EVENTS SUBSEQUENT TO REPORTING DATE (continued)

CAMIF's charter prevents it from investing directly or indirectly in domiciles other than nominated Latin American countries, including the Dominican Republic. CAMIF have advised the Company that with the Las Lagunas project coming to an end in December 2019 they intend to sell their shares before the end of this year.

27. CORRECTION OF ERRORS

During the course of the half-year review, the Group identified the following errors which have had a material impact on its prior year reported results:

1. *Understatement of the rehabilitation provision for the Las Lagunas Gold Tailings Project*.
   The project is due to come to an end in the second half of 2019 and as a consequence, a detailed analysis has been conducted to estimate the projected costs likely to be incurred for closure of the mining operation and rehabilitation and restoration of the mine site. As a result, the Group has identified that the rehabilitation provision that was calculated at the commencement of the project in 2012 is significantly lower than the projected costs. Therefore an adjustment has been processed to increase the cumulative value of the provision.

2. *Overstatement of accrued expenses.* During the period between 2016 and 2018 a number of large accruals were made, pending receipt of invoices for closed purchase orders and for estimated costs that were based on prior period charges. These accruals have been carried forward as a liability of the Group. Management has conducted a complete review of these accruals and has ascertained that the costs were overstated during the prior periods. Therefore an adjustment has been processed to decrease the carrying value of the accruals liability as at the reporting date.

As a consequence of these errors, certain line items have been amended in the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and the related notes to the financial statements. The following table summarises the impacts on the Group's financial statements for prior periods.

i. Statement of profit or loss and other comprehensive income

For the comparative period ended 30 June 2018 In US Dollars	Impact of correction of error As previously reported	 Adjustments	 As restated
Mining and mill feed costs	(968,668)	4,960	(963,708)
Consumables	(4,362,630)	241,233	(4,121,397)
Equipment spares and maintenance	(2,222,715)	116,524	(2,106,191)
Site and camp costs	(879,417)	(69,357)	(948,774)
Occupancy costs	(64,369)	6,200	(58,169)
Legal and professional expenses	(265,577)	62,795	(202,782)
Other expenses	(430,782)	143	(430,639)
Profit/(Loss) from continuing operations	2,181,271	362,498	2,543,769
Total comprehensive income	2,308,148	362,498	2,670,646

27. CORRECTION OF ERRORS (CONTINUED)

ii. Statement of financial position

For the comparative year ended 31 December 2018 In US Dollars	Impact of correction of error As previously reported	 Adjustments	 As restated
Trade and other payables	9,749,178	(793,457)	8,955,721
Total current liabilities	19,007,107	(793,457)	18,213,650
Provisions	571,498	2,307,794	2,879,292
Total non-current liabilities	571,498	2,307,794	2,879,292
Total liabilities	19,578,605	1,514,337	21,092,942
Net assets	4,288,177	(1,514,337)	2,773,840
Accumulated losses	(73,001,278)	(1,514,337)	(74,515,615)
TOTAL EQUITY	4,288,177	(1,514,337)	2,773,840

iii. Statement of changes in equity

For the comparative period ended 30 June 2018 In US Dollars	Impact of correction of error As previously reported	 Adjustments	 As restated
Accumulated losses as at 1 January 2018	(64,085,762)	(1,876,835)	(65,962,597)
Total equity as at 1 January 2018	11,635,022	(1,876,835)	9,758,187
Profit for the period as reported in the 30 June 2018 financial statements	2,181,271	362,498	2,543,769
Total comprehensive income for the period to 30 June 2018	2,308,148	362,498	2,670,646
Accumulated losses as at 30 June 2018	(61,904,491)	(1,514,337)	(63,418,828)
Accumulated losses as at 1 January 2019	(73,001,278)	(1,514,337)	(74,515,615)

iv. Earnings per share

For the comparative period ended 30 June 2018 In US Dollars	Impact of correction of error As previously reported Cents	 Adjustments Cents	 As restated Cents
Basic earnings / (loss) per share (cents per share)	1.69	0.28	1.97
Diluted earnings / (loss) per share (cents per share)	1.69	0.28	1.97

The changes did not have an impact on the Group's operating, investing and financing cash flows.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 30 JUNE 2019

In accordance with a resolution for the directors of PanTerra Gold Limited, the Directors of the Company declare that:

a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act* 2001, including:

   (i) giving a true and fair view of the financial position as at 30 June 2019 and the performance of the half year ending on that date of the consolidated entity; and

   (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations* 2001 and other mandatory professional requirements; and

b. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S303(5)(a) of the *Corporations Act* 2001.

On behalf of the Board,

Brian Johnson
Executive Chairman
30 August 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of PanTerra Gold Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of PanTerra Gold Limited ("the company") which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PanTerra Gold Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 1(e) in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the consolidated entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
30 August 2019