



Pacific Niugini Ltd

Developing the Nicolson's Mine, Western Australia



January 2015

ASX:PNR



Positioned to deliver outstanding returns for investors:

- **High Grade Resource and Reserve:** High grade gold resource/reserve which sits immediately below an existing open pit.
- **Existing Infrastructure:** Complete processing plant and associated infrastructure in place and ready for refurbishment.
- **Low Project Capital:** Re-start estimate and feasibility study identifies pre-production costs of only \$11million.
- **Excellent Margins:** All in sustaining costs approximately A\$850/Oz.
- **Experienced Management:** Board and management closely involved with recent successful acquisitions which have transformed Metals X Limited.
- **CBA Prepay Facility – Finalising documentation, expect draw-down week 1 February 2015.**
- **Fully Permitted – DMP and DER approvals in place and ready for commencement.**

PACIFIC NIUGINI IS PLANNING TO COMMENCE SITE WORKS IN Q1 2015 IMMEDIATELY UPON FINANCE DRAWDOWN

Board:

Peter Cook – Non-Executive Chairman. Highly successful Australian mining identity behind companies such as Hill 50 Gold Limited; Abelle Limited, and Metals X Limited.

Paul Cmrlec – Managing Director. Mining engineer with strong operational and corporate background focused on project feasibility, development, and operations. Director of Metals X Limited.

David Osikore – Non-Executive Director. Leading Papua New Guinean geologist with exploration and production experience across most known deposits in PNG.

Management:

Dennis Lovell – Joint Company Secretary. Founding CFO and company secretary. Many new acquisitions and new mine construction projects.

David Okeby – Joint Company Secretary. Strong legal, IT and administrative experience in multiple mining companies.

Scott Balloch - CFO. CPA with 20 years' experience in financial management of mining and exploration companies.

Project Team – Hand-picked team with specific experience in similar project start-ups and operating mines.

Corporate:

Capital Structure

Ordinary Shares– 314 Million (392M post rights issue)

Employee Rights and Options – 4.65 Million

Top 20 – 60%

Company Details

L3, 18-32 Parliament Place
West Perth

Phone: +61 8 9215 6005

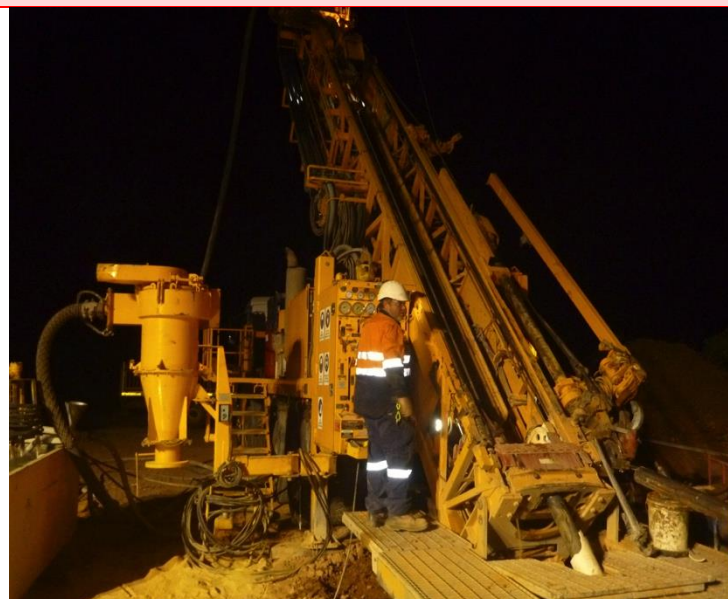
Email: admin@niugini.com.au

Web: www.niugini.com.au

- Initial 11 hole (approximately 2,500m) diamond drilling program designed to extend and validate resource was a resounding success.
- First time the Nicolson's deposit has been the subject of a substantial diamond drilling campaign – well defined geology with numerous high grade intercepts*:
 - NRCD14007 - **1.2m @ 102.92g/t, inc 0.8m @ 149.17g/t**
 - NRCD14005 - **3.0m @ 20.43g/t, inc 1.6m @ 34g/t**
 - NRCD14003 - **3.4m @ 13.21g/t, inc 0.36m @ 121g/t**
 - NRCD14001 - **1.43m @ 6.88g/t, inc 0.76m @ 11.8g/t**
 - NRCD14013 - **4.9m @ 1.00g/t, inc 0.52m @ 8.8g/t**
 - NRCD14016A - **0.57m @ 22g/t**
 - NRCD14017 - **1.1m @ 9.52g/t, inc 0.5m @ 18g/t gold**
- Current Resource – 758,000t @ 6.6g/t for 163,000 Oz (Nicolson's Only)
- Current Reserve – 435,400t @ 6.17 g/t for 86,300 Oz (Nicolson's Only)

DRILLING RESULTS DEMONSTRATE POTENTIAL FOR HIGHER GRADES

* Full results in September 14 quarterly report

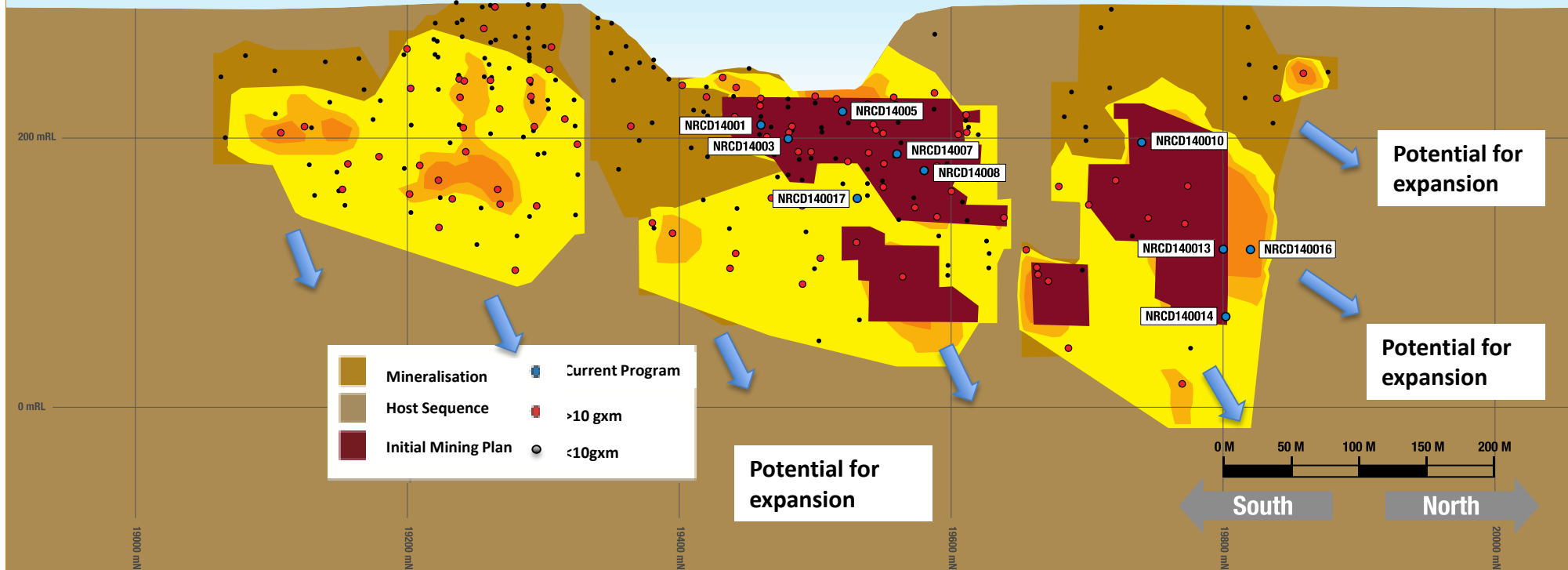


Nicholson's Deposit

Schematic Long-Section



Pacific Niugini Ltd



Expansion Opportunity – resource only constrained by lack of drilling at depth and to the north with multiple high grade intercepts at the extremities. Virtually no drill testing to the south.

Capital Discipline

- Capital requirements split into three phases:
 - Phase 1 - Critical works for mining commencement to make processing plant compliant and operational, and minimum infrastructure upgrades to commence work – nominally the first 6 months of operating, and commencement of positive cashflow.
 - Phase 2 - Establishment of new surface infrastructure required for long term operation. Consideration of projects to reduce operating cost – nominally 6 to 18 months from commencement.
 - Phase 3 - Contingent on successful operations and expansion of resources and reserves.
- *FOCUS ON MINIMISATION OF CAPITAL EXPENDITURE UNTIL OPERATIONS ARE CASHFLOW POSITIVE.*
- *ASSESSMENT OF POTENTIAL TO REDUCE COSTS THROUGH MINOR UPGRADES ONCE OPERATING.*

Operating Criteria – NO FRILLS

- This mine will be operated appropriate to scale and requirements to safely produce at 10,000 to 13,000 ore tonnes per month.
- Corporate office will be maintained at the minimum level possible for a public company.
- Corporate personnel will remain intimately involved with operations to ensure success.
- Focus will be on mine-life extension through in-mine exploration in preference to early stage exploration.

LOW CAPITAL, SHORT LEAD-IN TO PRODUCTION, EXCELLENT PROFITABILITY

Pre-Production Capital: \$11 million

Time to Positive Cash flow: 6 Months

Annual Production: 130,000t, 30,000 Oz

Mine Life: 4.5 years (including 6 month construction)

Net Profit Before Tax: \$58 million

Net Profit After Tax: \$50 million

NPV (8): \$41 million

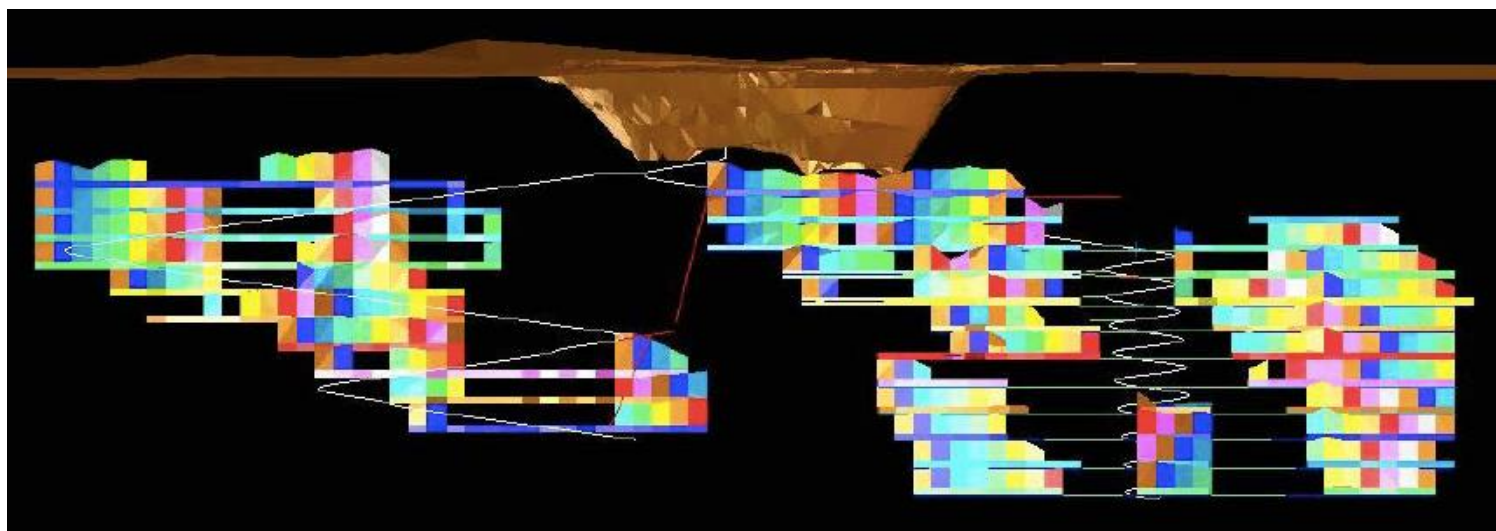
IRR: 167%

Tonnes Mined –
516,000

Ounces Mined –
110,000

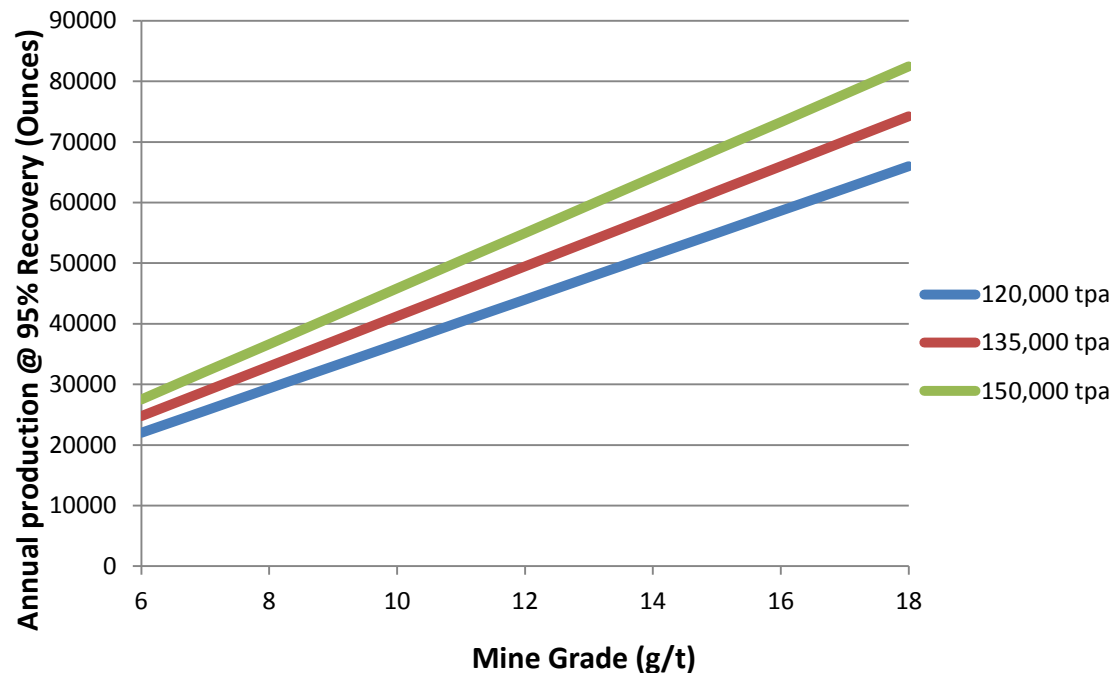
Ounces Recovered –
106,000

Exploration
Expansion Potential -
HIGH



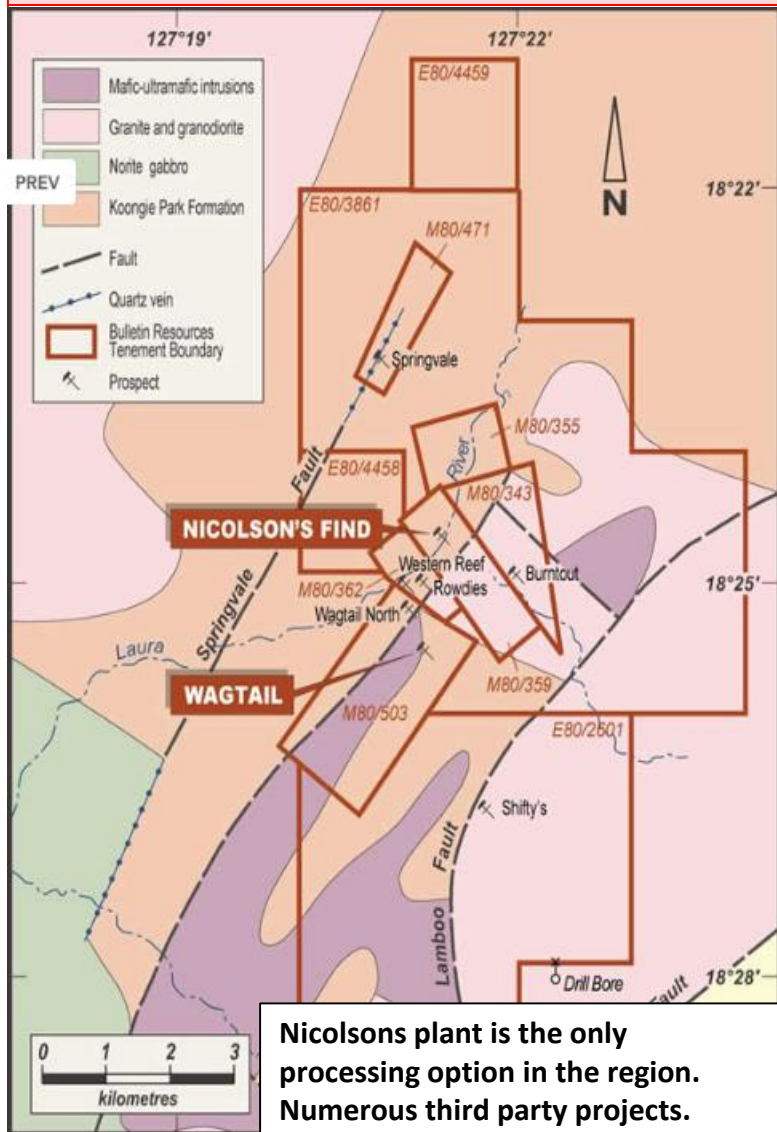
** Economics stated include reserve and additional inferred tonnes and gold ounces*

Nicolsons Plant Production Capacity



Hole NRCD14007 – 1.2m @ 102.9g/t

- Increased grade provides direct increase in production capacity.
- Mining and processing unit costs decrease:
 - No change in crew size (circa 30% of operating cost);
 - No change in diesel consumption (circa 30% of operating cost).



Project on granted mining leases free of encumbrances

- All resources at the Nicolsons Project located on granted mining leases.
- Leases are pre-Native Title legislation.
- Excellent relationship with underlying pastoral lease owner – Ngunjiwirri Aboriginal Corporation.

Many opportunities to extend resources through exploration

- Historical drilling identified numerous high grade intercepts +20g/t at Rowdies, Wagtail North, and Wagtail South. All resources currently lacking diamond drilling.
- Zone between Rowdies and Nicolsons virtually untested.
- Multiple exploration targets identified with high-grade mineralisation identified in rock chip sampling and in drilling.
 - **Nicolsons North** – 12m @ 13.6g/t from 55m, inc 1m @ 74.3 g/t Au,
 - **Hyena Prospect** (1.5km along strike from Nicolsons Pit) – Rock Chip Samples including 22.4 and 32.6g/t Au,
 - **Shifty's Reef** – 700m long quartz vein with best results to date 2m @ 8.3g/t Au.

Amended Deal Structure

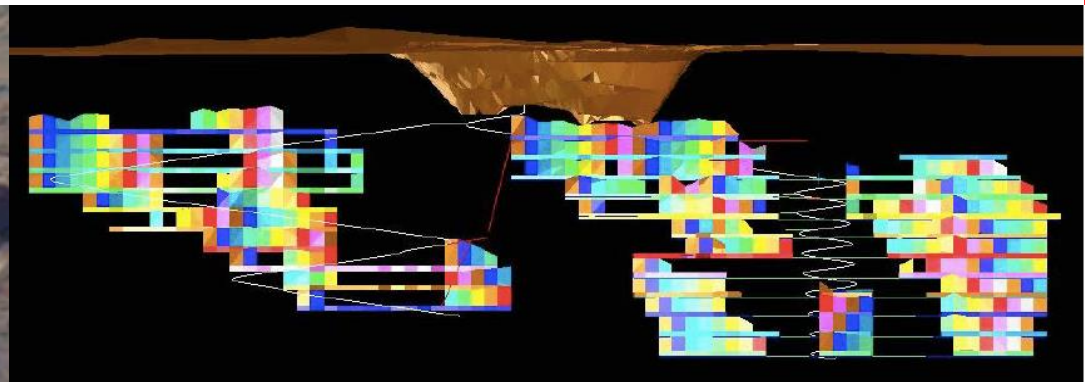
- Agreement to help BNR facilitate finance through CBA.
- BNR to transfer remaining 15% interest (to total 80% interest) to PNR upon closure of finance facility.
- BNR to contribute equity required under finance facility and share of costs from 1st January 2015.
- Savings of approximately \$400,000 in JV expenditure and \$650,000 in project equity contribution.
- PNR retains sole management of project.
- JV is now operating cooperatively with goodwill from both parties.

Rights Issue Update

- 1:4 rights issue, closing 28th January. 391M share on issue post raise.
- Extended due to Christmas/New Year break. Strong take-up in rights and shortfall applications.
- Not intending to extend further.

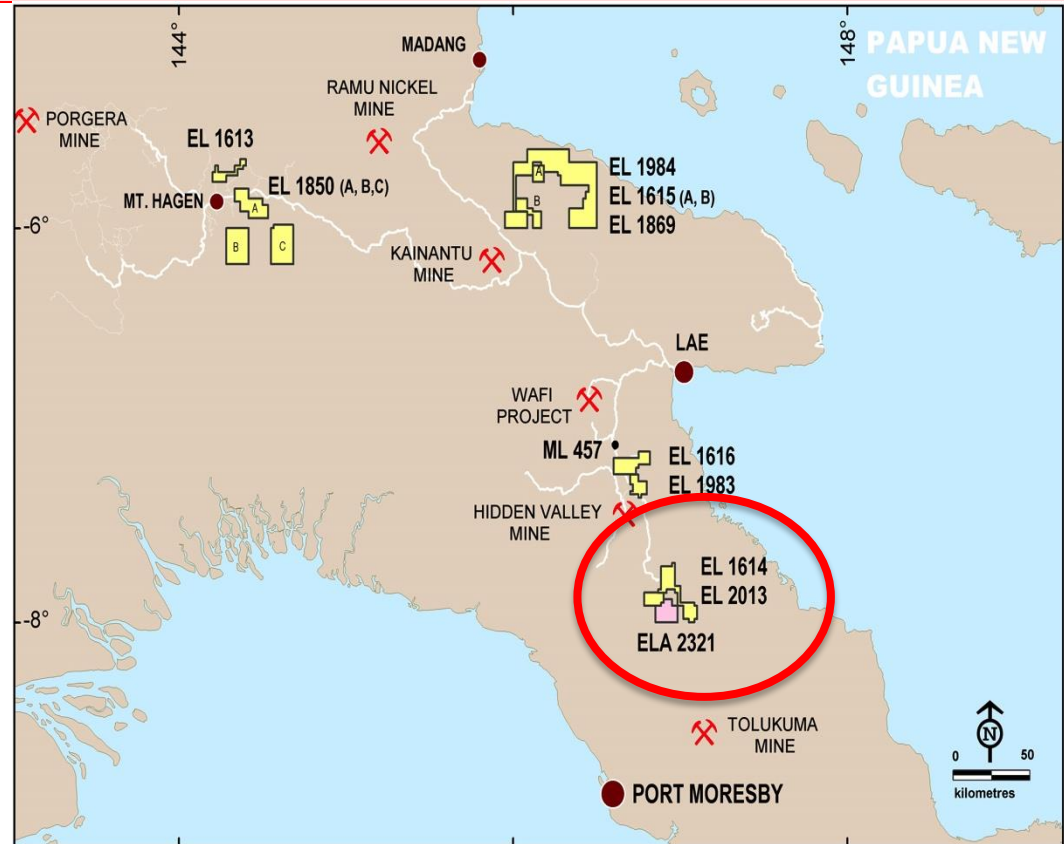
Production at Nicolson's Deposit is Pacific Niugini's focus

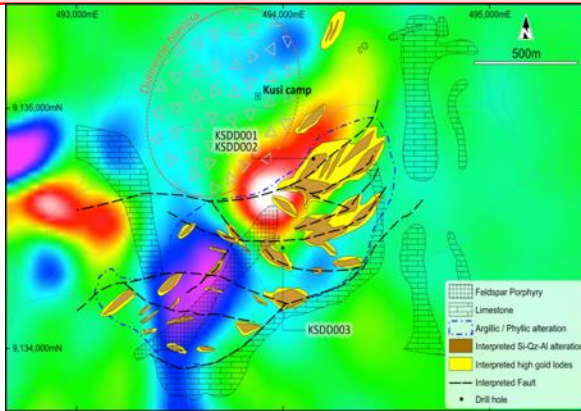
- Approvals in place to commence work.
- Finalising finance facility (parties expect completion first week February 2015).
- Diamond drilling confirmed narrower but higher grade mineralisation than RC drilling resource.
- Strong cash flow, low capital, short path to production.
- High grade mine, with potential for substantially higher grades than reflected in the current geological models.
- Most infrastructure already in place, close to Halls Creek and great Northern Highway.
- Excellent tenure position with granted mining leases and good relationship with pastoralist.
- Initial 4.5 year mine life with excellent potential to increase annual production and total mine life.



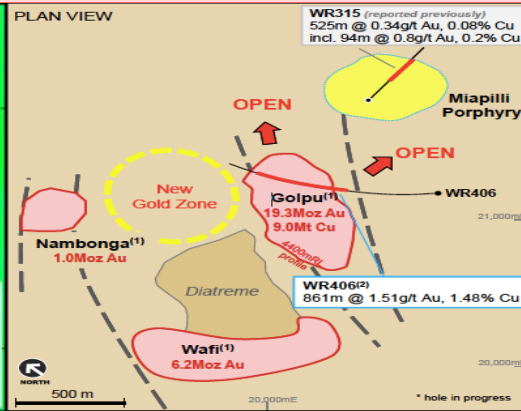
Exploration success story

- Virgin discovery by PNR in 2011 with rapid progression relative to other known PNG projects.
- Detailed magnetic surveys and petrology confirm porphyry copper-gold potential.
- Kusi surface anomaly > 1.5km x 1km.
- Drilling intersected classic porphyry style mineralisation.
- **Farm out and JV agreement with MGL Limited in place. All current work is at MGL's expense:**
 - **\$3 million spent to date;**
 - **Required to spend a further \$3 million before initial interest is earned;**
 - **At PNR's election MGL can increase their interest to 70%. If this occurs MGL must complete \$15M of exploration expenditure over a further 3-year period.**

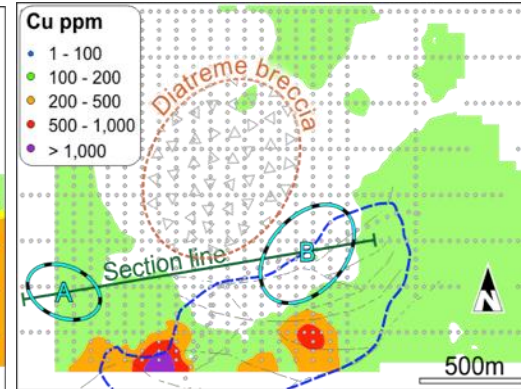
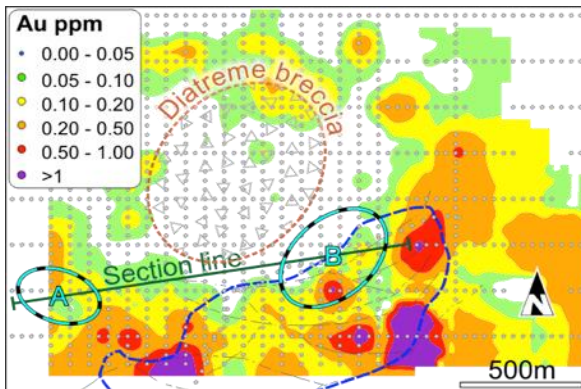




Kusi Magnetics showing interpreted diatreme and potential porphyry bodies highlighted (red)



Wafi Resource Plan view. Current resource is stated at 460 MT @0.77 g/t Au & 0.81% Cu for 11.4 Moz Au & 3.73 Mt Cu (From Newcrest Mining Website)



Gold and copper in soil samples correspond well with magnetic anomalies.

- Drilling targeting known zones of high and low magnetic susceptibility.
- High grade gold identified in both zones drilled to date, with vectors indicating a potential porphyry deposit in the zone of magnetic destruction.
 - 20m @ 2.89g/t (with 2.0m of core loss) from 107m, including **11m @ 4.72g/t** (with 1.4m of core loss) from 114m.
 - 35m @ 3.04g/t from 136m, including **4m @ 18.75g/t** from 160m, and **11m @ 8.24g/t** from 160m.
 - High-grade intercepts sit within an overall broad alteration zone of **106m @ 1.32g/t** from 109m.
 - **61m @ 306ppm Mo** from 202m, including 1.7m of core loss.

POSITIVE CASHFLOW FROM HALLS CREEK IS PACIFIC NIUGINI'S FOCUS

- Excellent drilling program results.
- Infrastructure including processing plant in place, located adjacent to major sealed highway, sealed air strip, and associated infrastructure. LOW CAPITAL, FAST TRACK TO PRODUCTION.
- Financing being finalised.
- Permitting activities completed.
- MID-2015 GOLD PRODUCTION FROM NICOLSONS IS A REALITY.

EXPLORATION POTENTIAL IN PNG IS HUGE AND DE-RISKED

- Exciting discovery at Garaina with JV partner meeting expenses. Project provides major upside potential for the company.
- Excellent initial drilling results demonstrate the large potential of the system.
- Large alluvial projects with approvals in place for mining at Widubosh ML457.
- Good potential for further partnership with third parties to retain-cost neutral positions and massive project upside.

General Disclaimer

This presentation has been prepared by Pacific Niugini Limited (“Pacific Niugini” or the “Company”). It should not be considered as an offer or invitation or inducement to subscribe for or the purchase of any securities in the Company. This presentation contains forecasts and forward looking statements. Such forecasts, projections and information are not a guarantee of future performance, and involve unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied. Pacific Niugini has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Pacific Niugini makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from any information, statement or opinion contained in this presentation. This overview of Pacific Niugini does not purport to be all-inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Exploration, Resource and Reserve Data

Full results, JORC Table 1 disclosure, and resource details are available in ASX releases dated 28/7/14 (June Quarterly report), 16/9/2014 (Drilling results ASX announcement), and 23/9/14 (Drilling results announcement).

Competent Person Statement

The information in this report that relates to exploration, and mineral resources is based on information compiled by Mr Peter Cook (BSc Geol) MAusIMM who is the non-executive chairman of Pacific Niugini Limited. The information in this report that relates Reserves is based on information compiled by Mr Paul Cmrlec (B.Eng Mining Hons) MAusIMM who is the Managing Director of Pacific Niugini Limited. Mr Cook and Mr Cmrlec have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as competent persons as described by the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Cook and Mr Cmrlec consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.