



Going for Gold at Nicolsons in 2015

June 2015

ASX:PNR

Board and Management

- **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.
- **David Okeby – Company Secretary** Strong legal and corporate management experience in multiple mining companies.
- **Scott Balloch – CFO** CPA with 20 years' experience in financial management of mining and exploration companies.

Ordinary Shares (pre-placement):	392.5 million
Ordinary Shares (post-placement):	490.6 million*
Options (post Placement):	41.9 million*
Employee Options and Rights:	10.65 million
Board and Management:	6.8%

Cash as of 10th June 2015:	\$7.36 million
Debt:	6,560 Oz Au plus normal trade creditors
Convertible Notes (post issue):	\$3 million @ 8%*
Hedging:	14,400 Oz Au @ \$1568/Oz, Nov 15 to July 17 Delivery

* Refer ASX Announcement 29/06/2015



Underground development underway with supporting infrastructure in place:

- Works underway with first production expected in Q3 2015.
- **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 with refurbishment close to complete.
- **Fully permitted with operations underway**
- **Majority of capital expenditure completed:** Processing plant refurbishment close to completion (end June 2015). TSF due for completion mid-June 2015.
- **Growth:** Strong potential for resource and production growth within Nicolson's mine, and through development of additional resources and prospects.

All Major Infrastructure in Place Ready to Produce



Extensive construction works completed Q1 and Q2 of 2015:

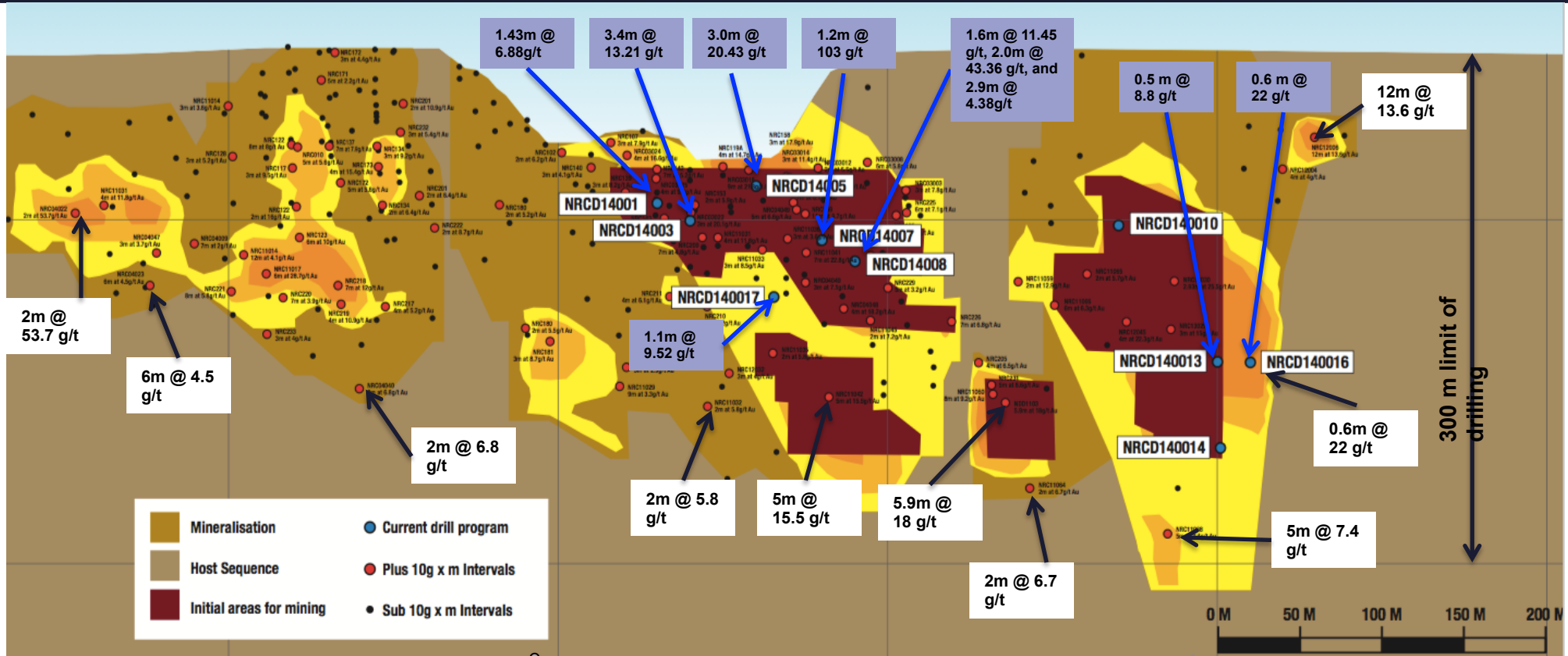
- ✓ Open pit accessed and underground development underway.
- ✓ Tailings storage facility completed and ready for commencement of processing;
- ✓ Processing plant refurbishment due for completion July with full commissioning due in the same month;
- ✓ Surface infrastructure including offices, IT, ablutions, workshop and water management systems in place.
- ✓ Underground ore development to commence early July.

Initial 11 hole (approximately 2,500 m) 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)
- Current Mining Inventory including inferred resources – 110,000 Oz

* Refer ASX Announcements 16/09/2014; 23/09/2014.





Exploration review by professional consultants, Optiro concludes that resource potential of Nicolsons Mine is 500,000 to 750,000 ounces.

Diamond drilling in mining zone below open pit returned average of 46 g x m vs. model indication of 29 g x m.

Diamond Drilling demonstrated potential for highly elevated grades.

* Refer ASX Announcements 16/09/2014; 23/09/2014.

Low Capital, Short Lead-In to Production, Excellent Profitability

Time to Positive Cashflow: 6 months

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

Initial Mine Life: 4.5 years (inc. 6 months construction)

Tonnes Mined: 516,000

Ounces Mined: 110,000

Ounces Recovered: 106,000

Net Profit Before Tax: \$58 million

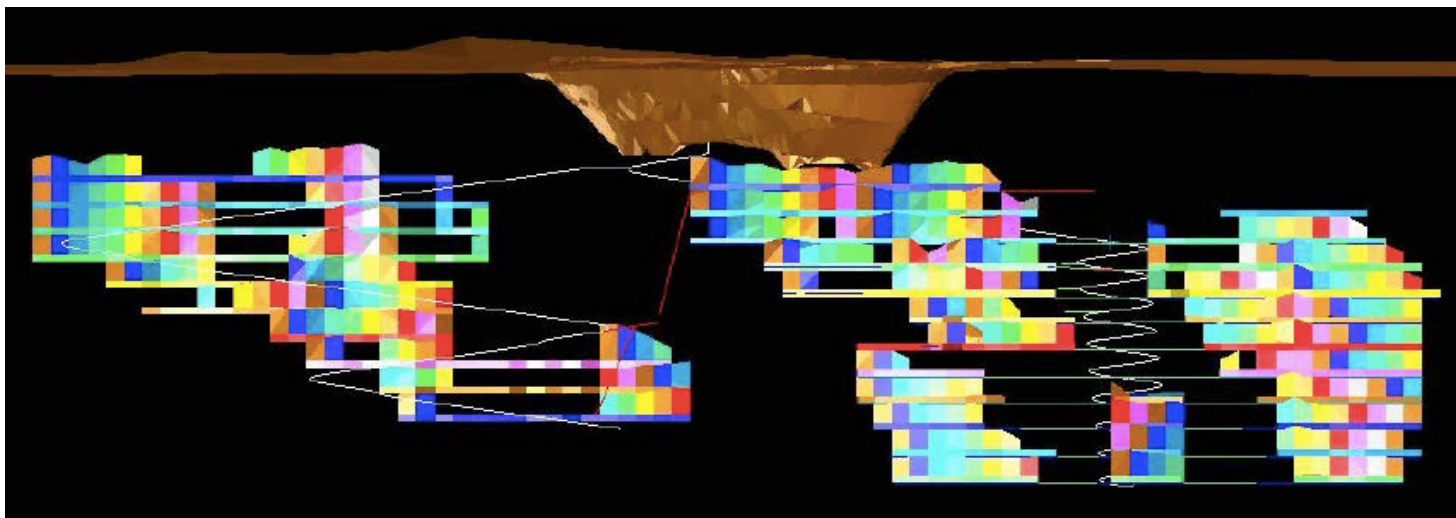
Net Profit After Tax: \$50 million

NPV(8): \$41 million

IRR: 167%

Gold Price: A\$1400/oz

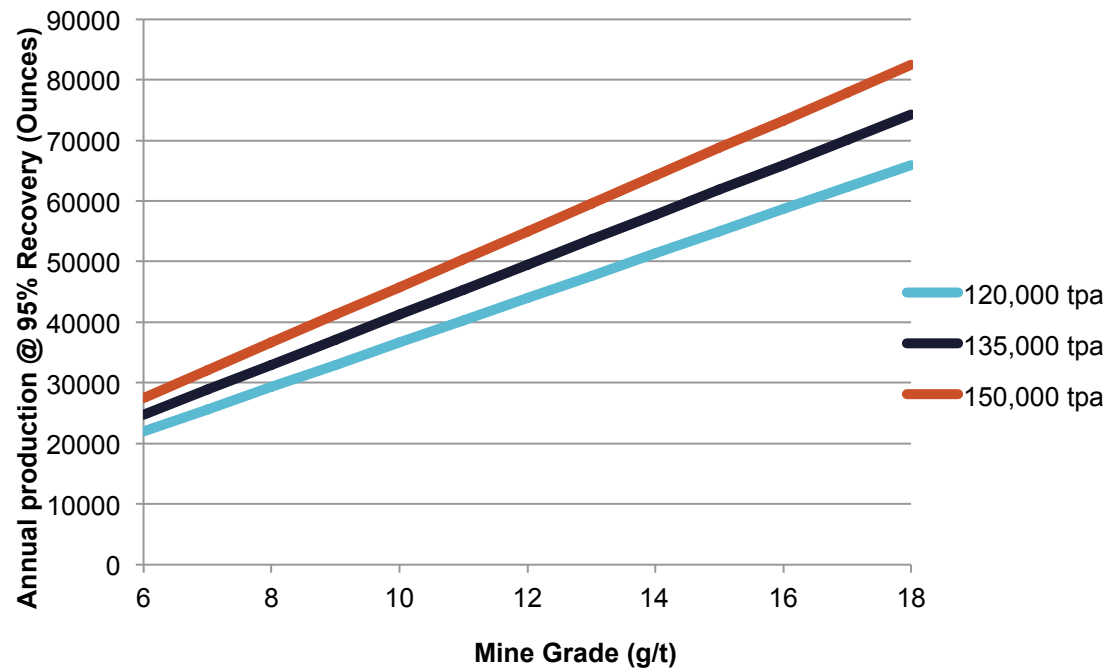
AISC: A\$850-A\$900/oz



Refer ASX Announcement 10/11/2014.

All material assumptions underpinning this target continue to apply and have not materially changed.

Nicolsons Plant Production Capacity



Hole NRCD14007 – 1.2m @ 102.9g/t

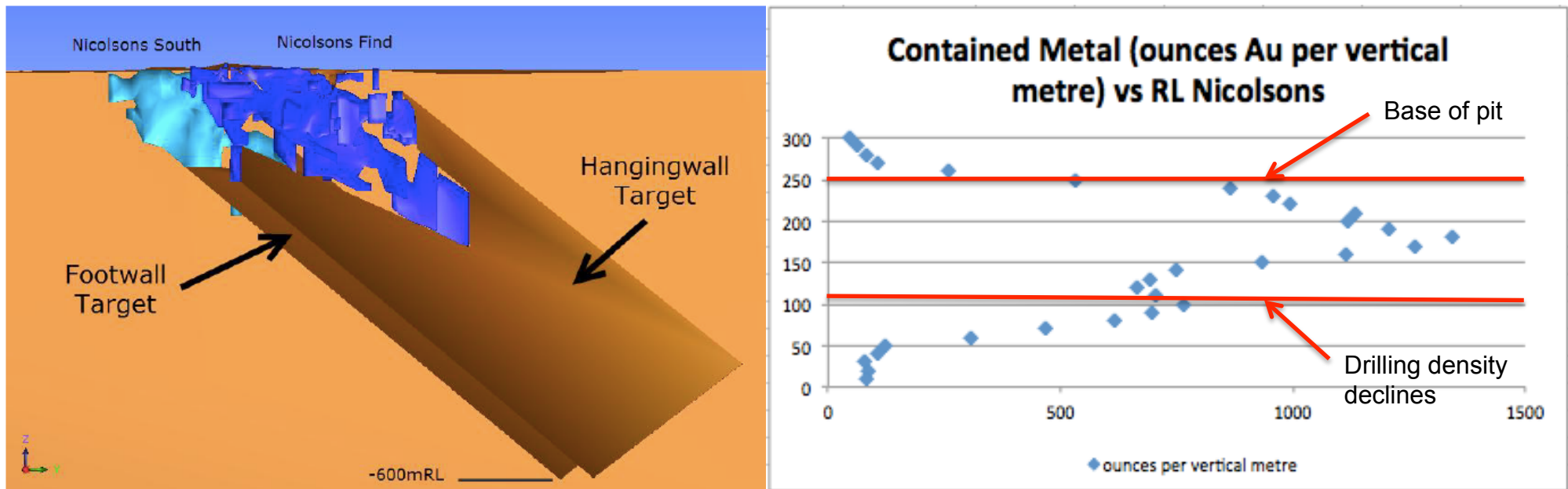
- Increased grade provides direct increase in production capacity.
- Mining and processing unit costs decrease:
 - No change in crew size (circa 30% of operating cost);
 - No change in diesel consumption (circa 20% of operating cost).
- Up-scaling of plant to approximately 200,000 tpa an readily available option

Exploration will be focused on immediate resource/reserve growth as priority

1. Extend Nicolsons (HW Lode & FW Lode) through underground development and drilling.
2. Infill and extend Wagtail and Rowdies existing resources aiming to generate near term open pit mini opportunities and test for additional underground ore sources.
3. Follow-up known prospects. Work to be prioritised in accordance with ranking based on probability of generation of MINABLE resources. Resources for follow-up include:
 - Along trend of Nicolsons, Rowdies, Wagtail
 - Paddock Well
 - Hyena/Nicolsons North
 - Shifty's Reef
 - Burnt-out
4. Tenement scale reconnaissance exploration – large areas of tenements remain highly under-explored.



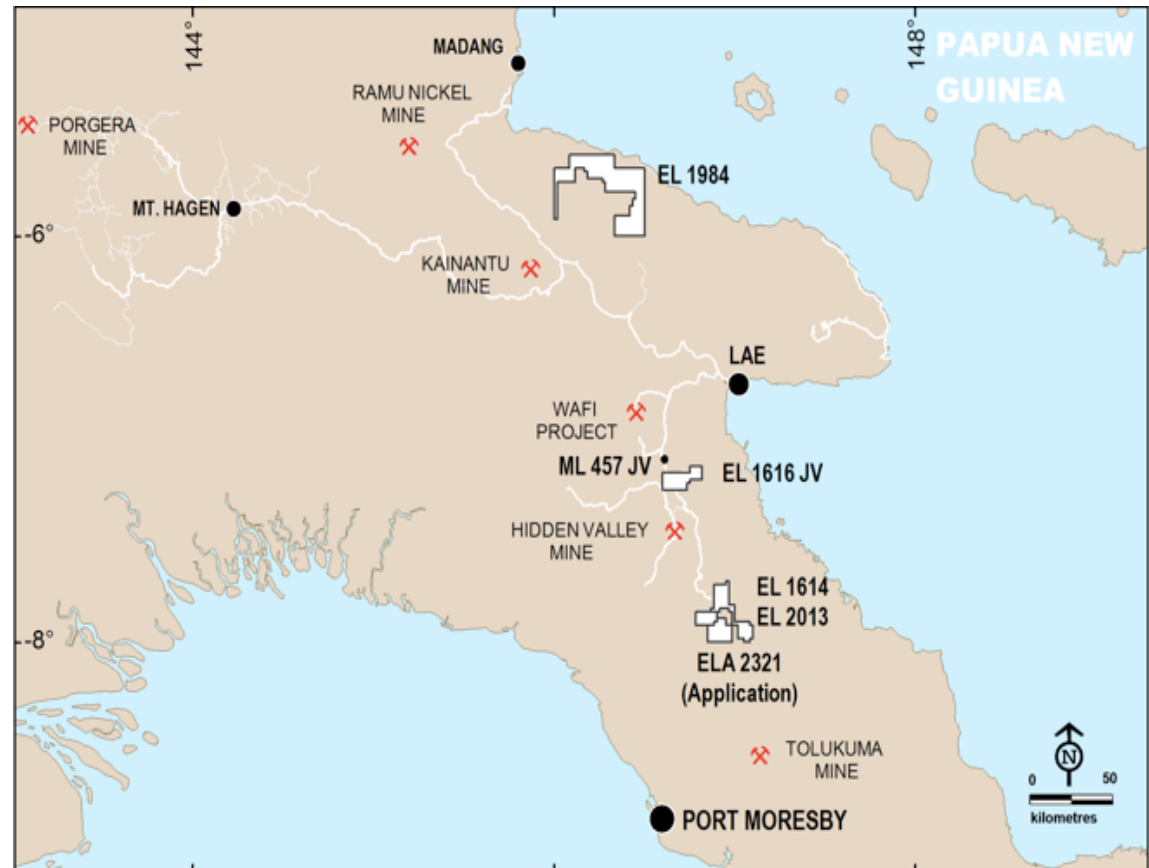
Continue to assess acquisition opportunities – Nicolsons is the only gold leach plant in the area, 300km north of next alternative. No gold processing options north of Nicolsons.

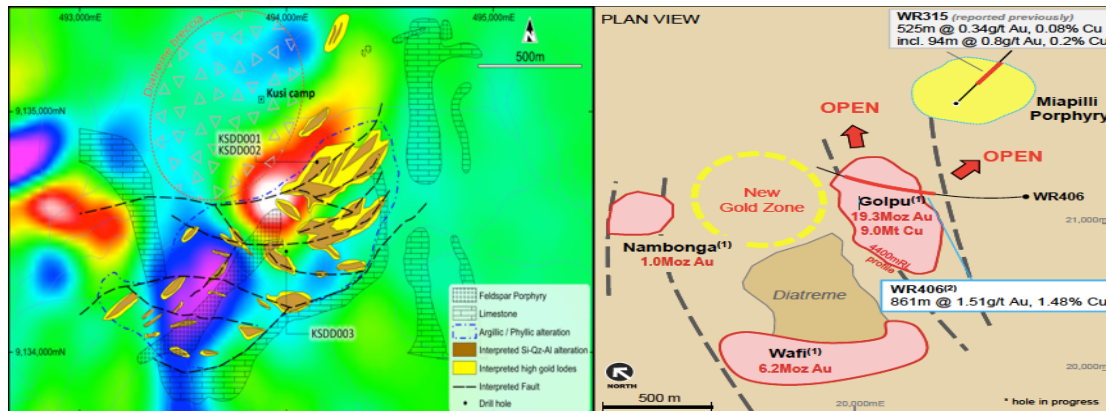


- FW and HW (main lode) are off set by approximately 80m.
- Limited testing of FW down dip due to drilling shadow caused by open pit.
- Excellent high grade intercepts at depth extremity of drilling in both HW and FW lode.
- OVM's appear to increase with additional drilling.
- Multiple intersections between FW and HW and in HW of system to follow up with U/G drilling.

Exploration Success Story

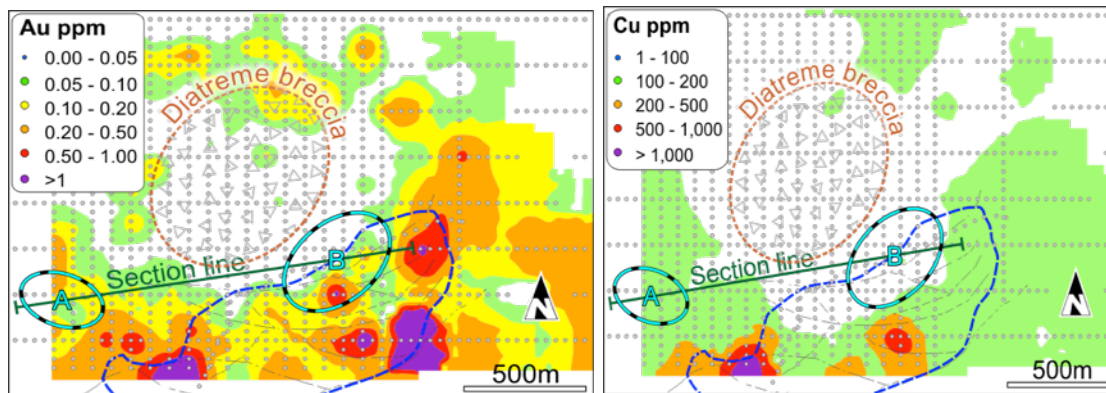
- Virgin discovery by PNR in 2011 with rapid progression relative to other known PNG projects.
- Detailed magnetic surveys and petrology confirm porphyry copper-gold potential.
- Kusi surface anomaly > 1.5km x 1km.
- Drilling intersected classic porphyry style mineralisation.
- **Terminated Farm-out agreement with MGL Limited in April 2015**
 - **\$3 million spent by MGL.**
 - **Excellent exploration and drilling results during project tenure.**
 - **PNR retains 100% project ownership.**
 - **Opportunity for new JV arrangements. Several companies reviewing at present.**





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.

Refer ASX Announcement 29/01/2014.

Convertible Note

- Issued to sophisticated investors to minimise dilution and provide immediate cash to maintain banking covenants.
- \$2-3 million to be issued. Firm commitments for \$2 million already in place.
- 8% interest rate, payable six monthly.
- Convertible at 6 cps.
- Early conversion bonus – 1 option per share converted in first year.
- 1 option per two shares converted in second year.

Rights Issue

- Open to all Australian and New Zealand Shareholders.
- 5 cents per share.
- 1 share for every 4 shares held.
- 1 two year, 6 cent option for every two new shares subscribed.
- Raising \$4.91 million if fully subscribed.
- GMP Securities acting as lead manager.

Refer ASX Announcement 29/06/2015

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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 to 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.