



**NOTICE OF ANNUAL GENERAL MEETING
PROXY FORM AND EXPLANATORY MEMORANDUM**

PACIFIC NIUGINI LIMITED ACN 003 207 467

Date of Meeting: 27 November 2015

Time of Meeting: 10.00am AWST

Place of Meeting: QV.1 Conference Centre, Training Room 2, Level 2,
250 St Georges Tce, Perth WA

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Pacific Niugini Limited ACN 003 207 467

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Pacific Niugini Limited (**Company**) will be held at QV.1 Conference Centre, Training Room 2, Level 2, 250 St Georges Tce, Perth WA, on Friday, 27 November 2015 commencing at 10.00am AWST.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies and forms part of this Notice of Meeting.

Please note terms used in the Resolutions contained in this Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

Agenda

Business

Financial Statements for the Year Ended 30 June 2015

To receive and consider the Financial Statements, Directors' Report, Remuneration Report and Auditor's Report for the year ended 30 June 2015.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 250R(2) any for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting prohibition statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel for the Company or a subsidiary, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or a subsidiary.

Resolution 2 – Re-Election of Mr Peter Cook as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Peter Cook, who retires by rotation in accordance with clause 13.2 of the Company's Constitution and who offers himself for re-election, be re-elected a Director."

Resolution 3 – Approval for additional 10% Placement Capacity

To consider and if thought fit pass as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the proposed issue of Equity Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed and an associate of that person (or persons).

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the meetings as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

Resolution 4 – Change of Company Name

To consider and if thought fit pass the following resolution as a **special resolution**:

"That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Pantoro Limited."

Note to Shareholders

The name of the Company is sought to be changed in connection with the Company's expanded scope of activities outside Papua New Guinea, and the confusion that the current name causes with respect to the Company's core activities.

Resolution 5 – Issue of Shares in lieu of interest under Convertible Notes

To consider and if thought fit pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Shares valuing up to \$651,682.19 in lieu of interest payable under the Convertible Notes on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or, it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

By Order of the Board of Directors

David Okeby
Company Secretary - Pacific Niugini Limited
23 October 2015

Important Information

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

Voting

Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.

Proxies

- Each member has the right to appoint a proxy.
- A proxy may but need not be a Shareholder of the Company.
- A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
- The instrument appointing the proxy must be in writing, executed by the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company or the Share Registry at least 48 hours prior to the Meeting. For the convenience of Shareholders a Proxy Form is enclosed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
- (e) If the Chairman is to act as your proxy in relation to Resolution 1 (whether by appointment or default) and you have not given instructions on how to vote by marking the appropriate box in the voting directions section of the proxy form, the proxy form expressly directs and authorises the Chairman to cast your vote for Resolution 1 as the Chairman thinks fit. This express authorisation is included because without it, the Chairman would be precluded from casting your votes, as the Resolution is connected with the remuneration of Key Management Personnel.

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting by Attorney

A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company in one of the methods listed above for the receipt of Proxy Forms.

Entitlement to Vote

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00pm AWST on 25 November 2015 will be entitled to attend and vote at the Annual General Meeting.

Corporations

In order to vote on behalf of a company that is a shareholder in the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the General Meeting or be presented at the meeting before registering on the Attendee Register for the General Meeting. An Appointment of Corporate Representative form is enclosed if required.

Notice to Persons Outside Australia

The Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of the Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Disclaimers

No person is authorised to give any information or make any representation which is not contained in this Explanatory Statement. Any information or representation not contained in this Explanatory Statement, may not be relied on as having been authorised by the Company or the Board in connection with the Transaction.

Privacy

To assist the Company to conduct the Meeting, the Company may collect personal information including names, contact details and shareholding of Shareholders and the names of persons appointed by Shareholders to act as proxy at the Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers, and the Company's agents for the purposes of implementing the consolidation of capital. Shareholders have certain rights to access their personal information that has been collected and should contact the Company secretary if they wish to access their personal information.

ASIC and ASX involvement

Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

Pacific Niugini Limited ACN 003 207 467

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the Shareholders of Pacific Niugini Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at QV.1 Conference Centre, Training Room 2, Level 2, 250 St Georges Tce, Perth WA on Friday, 27 November 2015 commencing at 10.00am Perth time.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the Glossary as contained in this Explanatory Memorandum.

Financial Reports

The Corporations Act requires the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2015 to be tabled at the Annual General Meeting.

Shareholders will be given an opportunity to ask questions of the Directors in relation to the financial statements of the Company at the Annual General Meeting.

For those Shareholders who have elected not to receive a hard copy of the Annual Report, it can be accessed on the Company's website at: <http://www.niugini.com.au>

The Annual Report is also available on the ASX website, www.asx.com.au code PNR

Resolution 1 – Adoption of Remuneration Report

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company and its subsidiaries. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting irrespective of the outcome in relation to Resolution 2.

Resolution 2 – Re-Election of Mr Peter Cook as a Director

Resolution 2 seeks approval for the re-election of Mr Peter Cook as a Director with effect from the end of the Meeting.

Clause 13.2 of the Company's Constitution provides that at each annual general meeting one-third of the Directors (except the Managing Director or any alternate Director) or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director (except the Managing Director or any alternative Director) holds office for more than 3 years, shall retire from office. Clause 13.2 of the Company's Constitution also provides that the Directors who are to retire are those of the Directors who have been in office the longest since their last election.

Mr Cook retires from office in accordance with this requirement and submits himself for re-election as a Director.

The Board appointed Mr Cook as a Director on 31 August 2009.

Mr Cook is a Geologist (BSc (Applied Geology)) and a Mineral Economist (MSc (Min. Econ), MAusIMM with over 30 years of experience in the fields of exploration, project, operational and corporate management of mining companies. Mr Cook is the currently an Executive Director and the CEO of Metals X Limited.

During the past three years he has served as a director of the following public listed companies:

- Westgold Resources Limited (Appointed 19 March 2007);
- Kingsrose Mining Limited (Appointed 10 October 2010 – Resigned 21 August 2012); and
- Aziana Limited (Appointed 30 May 2011 – Resigned 10 September 2015).

Resolution 3 - approval for additional 10% placement capacity

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 3.2 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without first obtaining Shareholder approval to the issue and without diminishing the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$30 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A = the number of fully paid ordinary securities (Shares) on issue 12 months before the date of issue or agreement:

- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under listing rule 7.1 and 7.4;
- (d) less the number of Shares cancelled in the previous 12 months.

D = 10%.

E = the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 3.3(a), the date on which the Equity Securities are issued.

Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (a) 12 months after the date of the Annual General Meeting; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(10% Placement Capacity Period).

Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of shares on Issue * | Number of Shares issued under 10% Placement Capacity | Funds Raised based on an issue price of \$0.031 (50% decrease in the current share price) | Funds Raised based on an issue price of \$0.062 (current share price) | Funds Raised based on an issue price of \$0.094 (50% Increase in the current share price) |
|--------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 490,567,404 (Current) | 49,056,740 | \$1,520,759 | \$3,041,518 | \$4,611,334 |
| 735,851,106 (50% Increase) | 73,585,111 | \$2,281,138 | \$4,562,277 | \$6,917,000 |
| 981,134,808 (100% Increase) | 98,113,481 | \$3,041,518 | \$6,083,036 | \$9,222,667 |

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or script issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- Resolution 3 is approved.
- The current shares on issue are the Shares on issue as at 22 October 2015.
- The issue price set out above is the closing price of the Shares on the ASX on 22 October 2015.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. Only shares will be issued under the 10% Placement Capacity and none of the Company's unquoted options or performance rights have been exercised.

Shareholders should note that there is a risk that:

- (a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (a) as cash consideration, in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration, development or mining expenditure on the Company's current assets and for general working capital purposes; or
- (b) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval under ASX Listing Rule 7.1A at the Annual General Meeting held on 25 November 2014.

During the 12 months preceding the date of this Meeting, the total number of Equity Securities issued is 176,604,265, representing 56.24% of the total number of Equity Securities on issue as at the commencement of the 12 month period.

Details of each issue of Equity Securities since 25 November 2014 are set out in Schedule 1.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

Resolution 4 – Change of Company Name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 4 seeks the approval of Shareholders for the Company to change its name to Pantoro Limited.

If Resolution 4 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 4 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the operations of the Company.

Resolution 5 – Issue of Shares in lieu of interest payable under Convertible Notes

5.1 General

On 14 July 2015, the Company announced that it had completed a capital raising by the issue of convertible notes to raise \$3,300,000 (**Convertible Notes**).

Under the terms of the Convertible Notes, interest is payable at a rate of 8% from the date of issue of the Convertible Notes 6 monthly in arrears until the earlier of conversion of the relevant Convertible Note and the Maturity Date of the Convertible Notes.

Under the terms of the Convertible Notes interest can be payable by the issue of Shares (subject to compliance with the Listing Rules) or cash at the election of the noteholder.

In order for the Company to issue Shares in lieu of interest payable under the Convertible Notes, Shareholder approval is required.

The deemed issue price at which Shares can be issued in lieu of interest payments is the volume weighted average trading price of Shares on ASX in the 10 business days prior the relevant interest payment date (or if no Shares are traded in that period then the lower of the \$0.06 per Share and the last price at which Shares are traded on ASX).

Accordingly, Resolution 5 seeks Shareholder approval for the issue of Shares valuing up to \$651,682.19 in lieu of interest under the Convertible Notes (at the deemed issue price calculated in accordance with the above).

If any Convertible Notes are converted prior to the Maturity Date or noteholders elect to receive interest in cash then the maximum amount of Shares to be issued under Resolution 5 will drop according.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$651,682.19;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressive;
- (c) the issue price will be the volume weighted average trading price of Shares on ASX in the 10 business days prior the relevant interest payment date (or if no Shares are traded in that period then the lower of the \$0.06 per Share and the last price at which Shares are traded on ASX). However, in compliance with the ASX Listing Rules the Shares will not be issued if the deemed issue price will equal an amount less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made;
- (d) the Shares will be issued to the holders of the Convertible Notes that elect to receive Shares instead of cash for interest payments under the Convertible Notes. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Shares will be issued in satisfaction of the Company's obligation to pay interest under the Convertible Notes to the Convertible Note holders who elect to be paid their interest in Shares rather than cash.

Glossary

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

| | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASX | ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited. |
| Board | the board of Directors of the Company. |
| Company | Pacific Niugini Limited ACN 003 207 467. |
| CBA Financing Facility | the financing facility issued by the Commonwealth Bank of Australia to Halls Creek Mining Pty Ltd (ACN 168 093 347) a wholly owned subsidiary of the Company and announced on the ASX on 22 February 2015. |
| Closely Related Party | <p>of a member of the Key Management Personnel for an entity means:</p> <ul style="list-style-type: none"> (a) a spouse or child of that member; (b) a child of that member's spouse; (c) a dependant of the member or of the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the members dealings with the entity; (e) a company the member controls; or (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of the term 'Closely Related Party' under the Corporations Act. |
| Convertible Notes | has the meaning given in clause 5.1. |
| Constitution | the constitution of the Company. |
| Corporations Act | Corporations Act 2001 (Cth). |
| Director | a director of the Company. |
| Eligible Entity | is defined in the ASX Listing Rules. |
| Eligible Participant | <p>means:</p> <ul style="list-style-type: none"> (a) a Director (whether executive or non-executive) of any Group Company; (b) a full or part time employee of any Group Company; (c) a casual employee of a Group Company who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with the Group Company; (d) a contractor of a Group Company who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with the Group Company; or (e) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under any of clauses (a) to (d) above, |

| | |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | who is declared by the Board to be eligible to receive grants of Options or Performance Rights under the Plan. |
| Equity Security | is defined in the ASX Listing Rules. |
| Exercise Conditions | is defined in the Long Term Incentive Plan Rules |
| Explanatory Memorandum | the information accompanying this Notice of Meeting, which provides information to Shareholders about the Resolutions contained in the Notice. |
| Forfeiture Conditions | is defined in the Long Term Incentive Plan Rules. |
| Group Company | the Company and any Related Body Corporate of the Company (as the context requires). |
| Key Management Personnel | has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, or the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group. |
| Listing Rules or ASX Listing Rules | the listing rules of the ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX. |
| Maturity Date | if the CBA Financing Facility has been fully discharged, the maturity date will be 31 December 2017. If the CBA facility is not fully discharged, and CBA does not otherwise consent, maturity will occur two months after its discharge. |
| Meeting | the annual general meeting the subject of the Notice. |
| Notice or Notice of Meeting | the Notice of Annual General Meeting accompanying this Explanatory Memorandum. |
| Option | an option to acquire a Share. |
| Performance Right | a conditional right to subscribe for or otherwise acquire a Share. |
| Plan | the PNR Long Term Incentive Plan No 2. |
| Resolution | a resolution contained in the Notice. |
| Share | a fully paid ordinary share in the capital of the Company. |
| Shareholder | a holder of Shares in the capital of the Company. |
| Share Registry | Computershare Investor Services Pty Limited |
| subsidiary | means in relation to the Company any entity which the Company is required by the accounting standards to include in its consolidated financial statements. |
| Vesting Date | is defined in the Long Term Incentive Plan Rules |

Schedule 1 – Issue of Equity Securities since 24 December 2014

| Date¹ | Quantity | Class | Recipients | Issue price and discount to market (if applicable)² | Form of Consideration and use of funds |
|-------------------------|-----------------|------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 February 2015 | 78,490,785 | Shares ³ | Entitlement and shortfall subscribers under entitlement issue Prospectus dated 5 December 2014 | 5 cents per Share (issued at a 10.72% discount to market price). Total consideration of \$3,924,540 | All funds have been applied in part for the development of the Nicholson's gold mine at Halls Creek, for the expenses of the offer and for general working capital purposes. |
| 6 February 2015 | 3,500,000 | Unlisted options ⁴ | Various employees and consultants. | Nil consideration | Non-cash consideration issued under the Company's Long Term Incentive Plan. |
| 6 February 2015 | 1,800,000 | Unlisted performance rights ⁵ | Various employees and consultants. | Nil consideration | Non-cash consideration issued under the Company's Long Term Incentive Plan. |
| 17 April 2015 | 500,000 | Unlisted options ⁴ | Various employees and consultants. | Nil consideration | Non-cash consideration issued under the Company's Long Term Incentive Plan. |
| 17 April 2015 | 700,000 | Unlisted performance rights ⁵ | Various employees and consultants. | Nil consideration | Non-cash consideration issued under the Company's Long Term Incentive Plan. |
| 14 July 2015 | 3,300 | Unlisted Convertible Notes. ⁶ | Various sophisticated investors. | 3,300 convertible notes issued at \$1,000 face value per note. Total consideration of \$3,300,000 | All funds have been applied in part for the development of the Nicolson's gold mine at Halls Creek and for general working capital purposes. Additional funds are held by the company and will be utilised for company development activities including additional exploration at Nicolson's and review of acquisition opportunities |
| 25 August 2015 | 98,113,480 | Shares ³ | Entitlement and shortfall subscribers under entitlement issue Prospectus dated 14 July 2015 | 5 cents per Share (issued at a 18% discount to market price). Total consideration of \$4,905,674. | All funds have been applied in part for the development of the Nicholson's gold mine at Halls Creek, for the expenses of the offer and for general working capital purposes. |
| 25 August 2015 | 49,056,770 | Unlisted Options ⁷ | Entitlement and shortfall subscribers under entitlement issue Prospectus dated 14 July 2015 | Nil consideration | Not applicable as the options were free attaching to the Shares the subject of the entitlement offer. |

Notes

1. This is the date the relevant Appendix 3B was announced to ASX. The date of issue may be different. Refer to Item 7 of the relevant Appendix 3B for the specific date of issue.
2. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: PNR (terms are set out in the Constitution).
4. Each exercisable at 10 cents on or before 30 June 2018.
5. Exercisable for nil consideration on or before 30 January 2017 subject to performance hurdles.
6. Each convertible note has a face value of \$1,000 and a maturity date of 31 December 2017 (if the CBA Financing Facility has been fully discharged by that date and if not, then the maturity date will be extended until two months after its discharge). If converted the convertible notes will convert into Shares at a conversion price of 6 cents per Share. One Option will be granted per Share if converted by 10 July 2016 issue and one Option will be granted per two Shares if converted after 10 July 2016. The Options will expire two years after the date of grant and will be exercisable at \$0.06.
 - (a) per Share issued upon conversion of a convertible note converted into shares in the first year after issue of the convertible notes; and
 - (b) per 2 Shares issued upon conversion of a convertible note converted into shares in the second year after issue of the convertible notes.
7. Each exercisable at 6 cents on or before 27 August 2017.
8. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis. .

Appointment of Corporate Representative

Section 250D of the Corporations Act

This is to certify that by a resolution of the Directors of:

.....(Company)
Insert name of shareholder

the Company has appointed:

.....
Insert name of Corporation Representative

in accordance with the provisions of section 250D of the Corporations Act, to act as the body corporate representative of that company at the meeting of Pacific Niugini Limited to be held on 27 November 2015 and at any adjournments of that meeting.

DATED

Executed by the Company)

in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately.

Please follow the instructions below to complete the Certificate of Appointment:

1. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
2. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
3. Insert the date of execution where indicated.
4. Send or deliver the Certificate to the Company at P.O. Box 1353 West Perth WA 6872, or Level 3, 18-32 Parliament Place, West Perth, WA 6005, or by facsimile to the registered office on 08 9220 5757. Alternatively the Certificate of Appointment may be presented upon attendance at the General Meeting of the Company.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

For your vote to be effective it must be received by 10:00am (AWST) Wednesday, 25 November 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.niugini.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Pacific Niugini Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pacific Niugini Limited to be held at the QV.1 Conference Centre, Training Room 2, Level 2, 250 St Georges Terrace, Perth, Western Australia on Friday, 27 November 2015 at 10:00am (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain |
|--------------|-------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-Election of Mr Peter Cook as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Approval for additional 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Shares in lieu of interest under Convertible Notes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

PNR

206519A

Computershare +