

PANTORO

INVESTOR UPDATE

January 2016

ASX:PNR



Corporate Structure

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.
- **Scott Huffadine – Chief Operating Officer** Geologist with extensive experience in project management, geology, mining, and corporate management including underground and open pit operations and start-ups.
- **David Okeby – Company Secretary** Strong legal and corporate management experience in multiple mining companies.

Ordinary Shares :	510 million
Listed Options :	49 million
Employee Options and Rights:	8.3 million
Fully Diluted (inc Convertible Notes):	623 million
Board and Management:	6.5%
Top 20 Shareholders:	51.8%

Share Price @ 18th January 2015: \$0.07

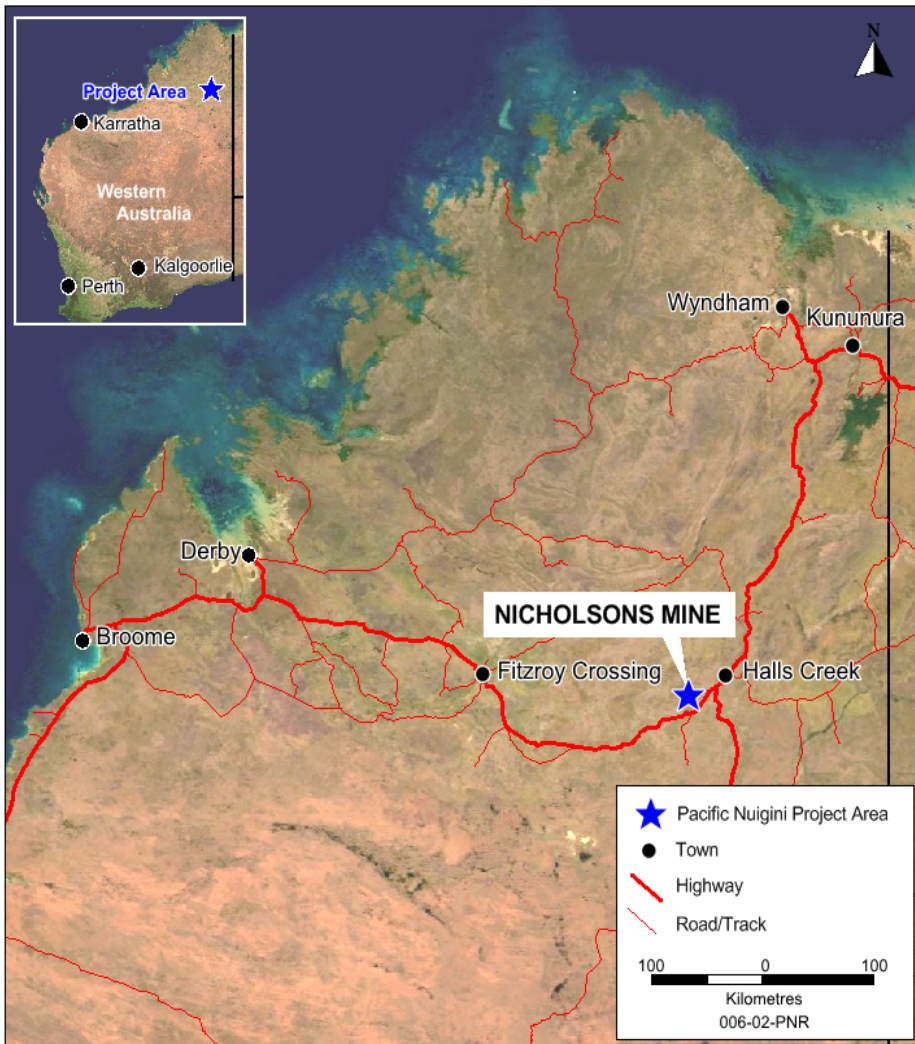
Current Cash and gold: \$7.1 million

Debt: 6,560 Oz Au plus normal trade creditors

Convertible Notes: \$2.30 million @ 8%, 6cps



Halls Creek Project (PNR 80%)



High grade project brought into production by PNR in 2015:

- **High Grade Resource and Reserve:** High grade gold resource/reserve accessed via portal from an existing open pit.
- **Production Underway:** first production achieved in September 2015, with production profile continuing to grow. Cashflow positive in December.
- **Continuing Reserve Overcall:** 25% of ounces mined in December quarter were from outside of the reserve. 180% overcall on mined ounces.
- **Close to Infrastructure:** Located 45km by road from Halls Creek. Utilising Halls Creek infrastructure including camp and airstrip. Less than 10km off of sealed Great Northern Highway
- **Growth Pipeline:** Strong potential for resource and production growth within Nicolson's mine, and through development of additional resources and prospects.



Current Production Status (PNR 80% interest)

Nicolsons Mine Key Statistics (100%) – December 15 Quarter

	December 2015	December 15 Quarter
Production	1745 Oz	4180 Oz
Average gold price received	\$1,554/Oz	\$1,587/Oz
Total cash cost of sales	\$989/Oz	\$1,190/Oz
EBITDA	+\$971K	+\$1,171K
Capital Expenditure	\$748K	\$2,706
Net cash flow including capital construction	+\$223K	(\$1,084k) – Includes finalisation of construction costs during October.



Continuing to produce major model overcall

Ore mined and processed during the December 15 quarter

MINING RECOVERY CONTINUING TO OUTPERFORM THE MODEL

Level	Development Reserve			Mined within Reserve			Mined outside Reserve			Reserve Ounces
	Tonnes	Grade (g/t)	Oz	Tonnes	Grade (g/t)	Oz	Tonnes	Grade (g/t)	Oz	Overcall
2220	2,505	10.36	834	3,353	8.73	941	735	2.10	50	119%
2210	3,581	5.31	611	3,576	9.51	1,094	2,350	7.00	529	266%
2200	4,887	5.40	849	5,559	5.63	1,006	1,348	10.99	476	175%
Total	10,973	6.50	2,294	12,489	7.57	3,040	4,433	7.40	1,055	179%

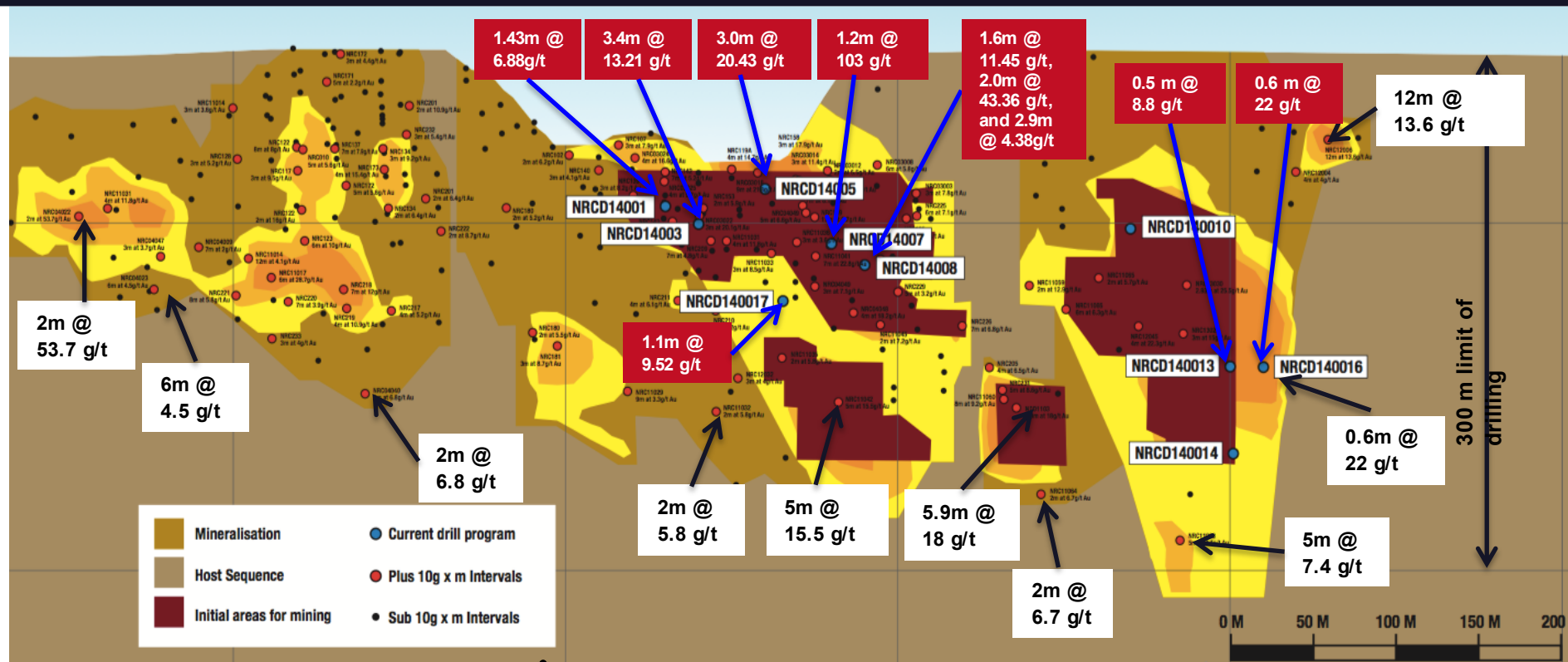
All Mined values are reconciled versus Mill tonnes and grade from October-December 2015.

Level	Development Reserve			Total Mined		
	Tonnes	Grade (g/t)	Oz	Tonnes	Grade (g/t)	Oz
2220	2,505	10.36	834	4,088	7.54	991
2210	3,581	5.31	611	5,927	8.52	1,623
2200	4,887	5.40	849	6,907	6.67	1,482
Total	10,973	6.50	2,294	16,922	7.53	4,095

All Mined values are reconciled versus Mill tonnes and grade from October-December 2015.



Resource Remains Open in All Directions

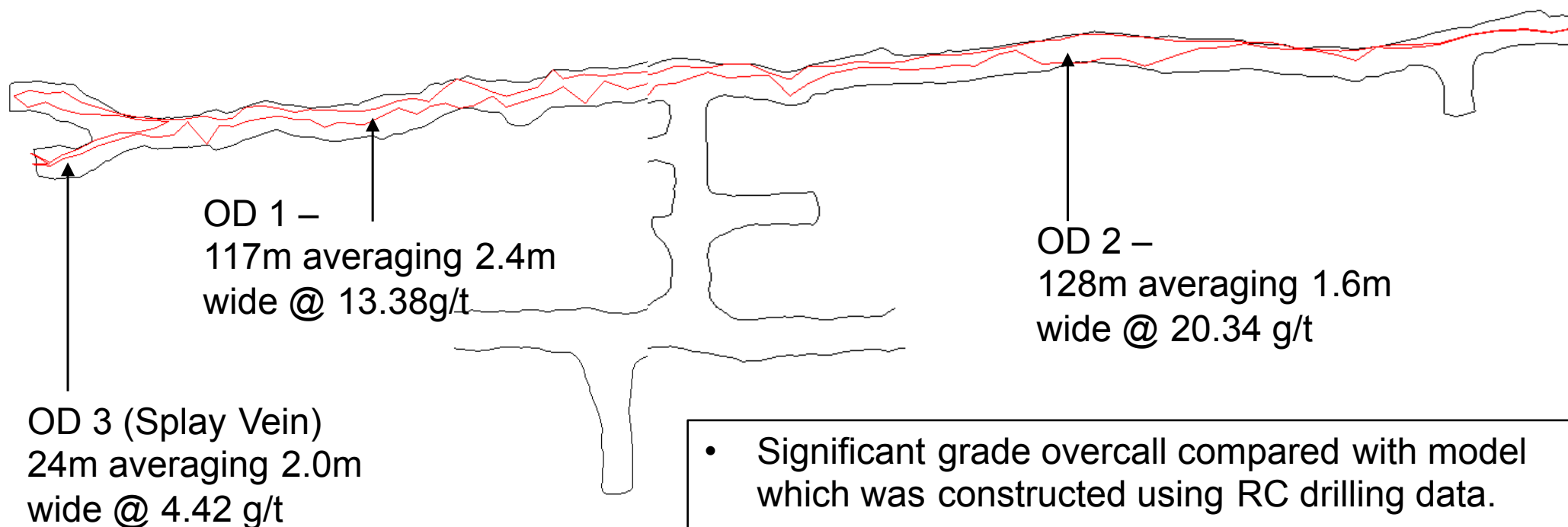


- Diamond drilling in mining zone below open pit returned average of 46 g x m vs. model indication of 29 g x m. **Now demonstrated by production.**
- **Approximately 25% of gold mined to date is from outside of reserve – large upside**
- Exploration review by professional consultants, Optiro concludes that resource potential of Nicolson Mine is 500,000 to 750,000 ounces. **Drilling to commence in current quarter.**



Significant grade overcall

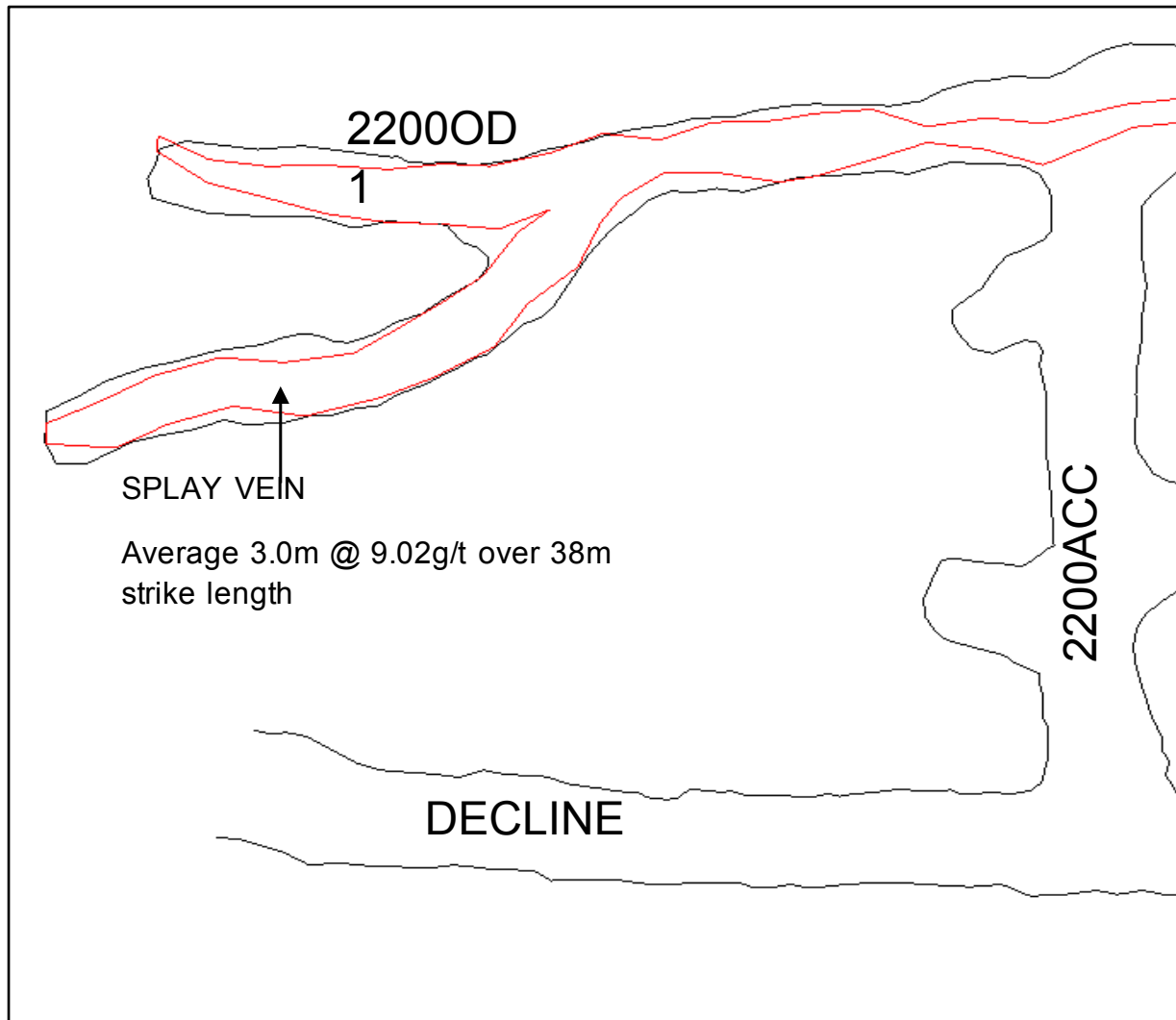
2210 Level Typical of levels mined to date



- Significant grade overcall compared with model which was constructed using RC drilling data.
- Will allow higher grades through mill than planned for once stoping is underway.
- Stoping to commence late January 2016



Mining Outside of the Reserve



- Ore recovered outside of reserve includes extensions along strike, and in additional “splay veins”.
- 25% of ore mine in December quarter came from outside of the existing reserve. Approximately 20% of all mined ounces to date are from outside of the reserve.
- Ore inside reserve area also overcalled.



Our Priorities at Nicolsons

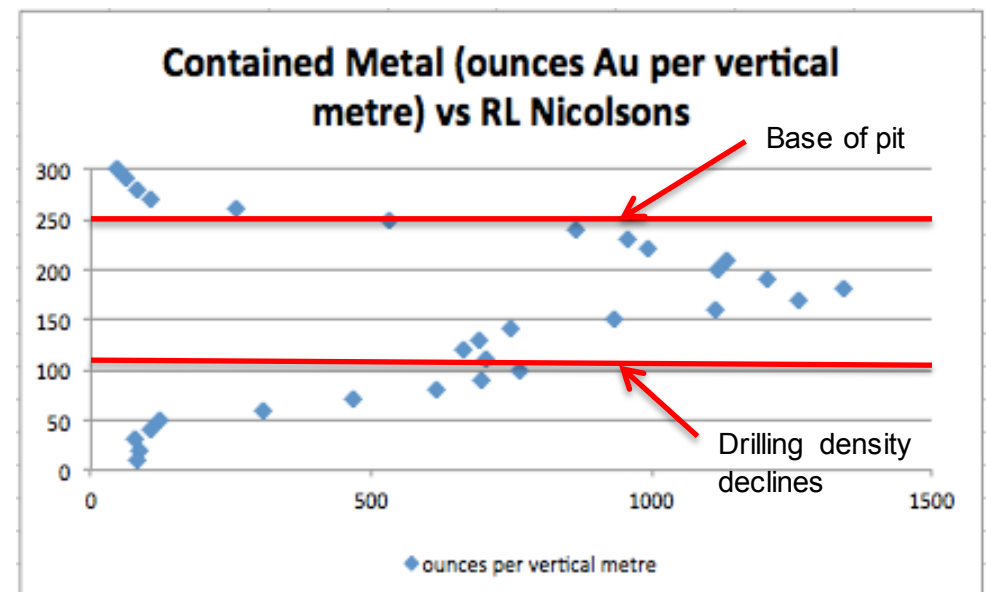
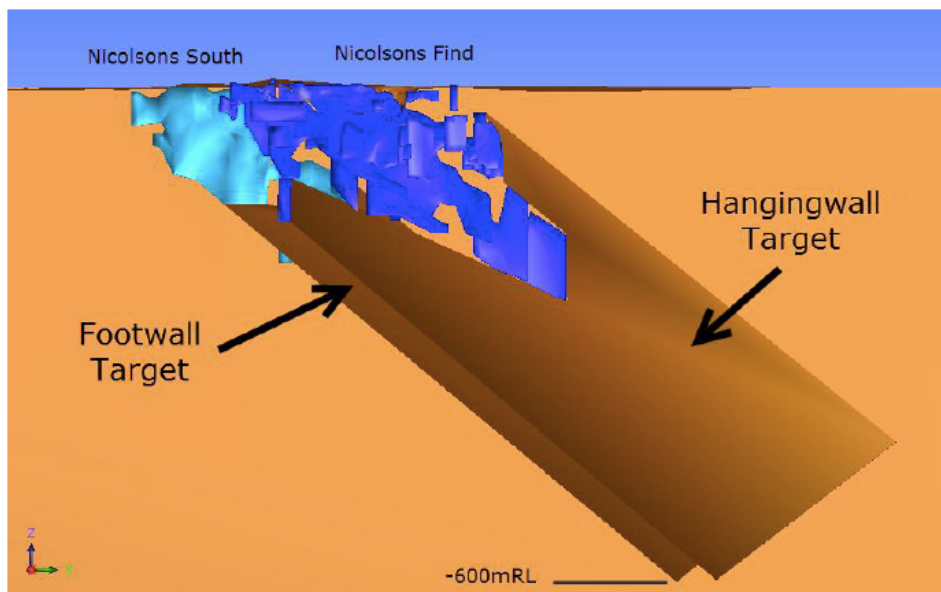
Profitable Production, Maintenance of Cost and Continued Growth

- **Operating with a consistent positive net cash flow** - is our immediate focus.
- **Maintaining costs at minimum practicable levels** – is a key decider for our management team and is critical in operating small mines
- **Growth at Nicolsons** - will provide share holders with long term upside, and a platform to develop the company into a significant Australian Gold Producer.
 - Expansion of reserves at Nicolsons
 - Development of open pits at Rowdies and Wagtail
 - Increasing production capacity
 - Developing a pipeline of projects, and consideration of other opportunities in the region.





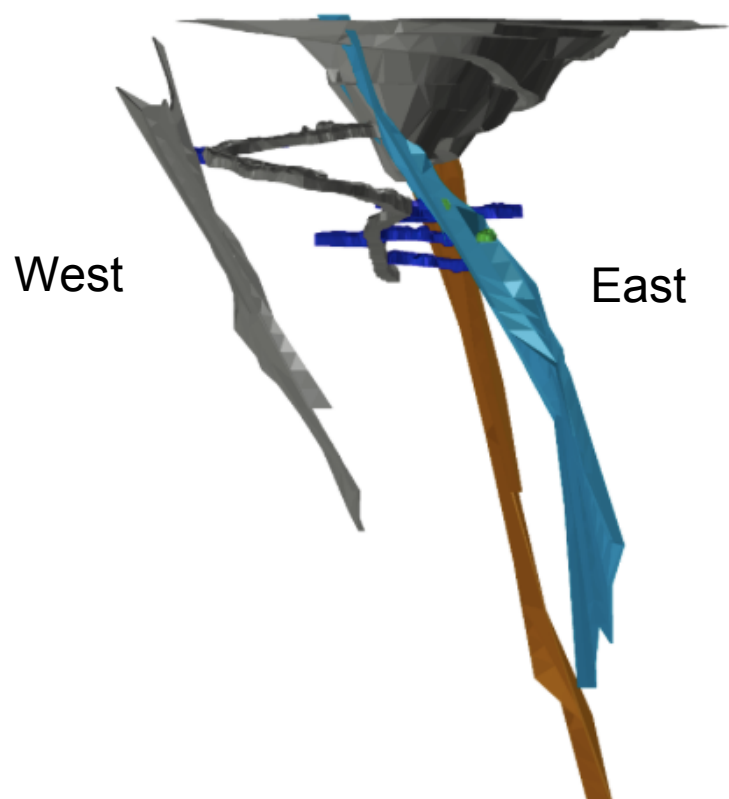
Nicolsons Extensions



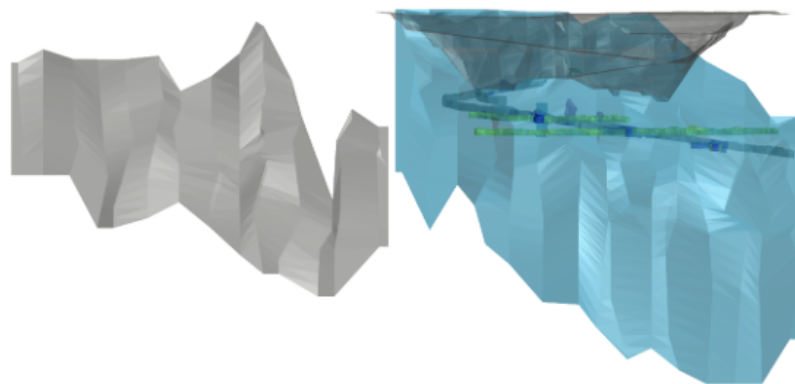
- FW and HW (main lode) are off set by approximately 80m.
- Limited testing of FW down dip due to drilling shadow caused by open pit.
- Excellent high grade intercepts at depth extremity of drilling in both HW and FW lode.
- OVM's appear to increase with additional drilling.
- **Diamond drilling in mining zone below open pit returned average of 46 g x m vs. model indication of 29 g x m. Large potential upside to reserve has been reflected in early development.**



Nicolsons Extensions



South

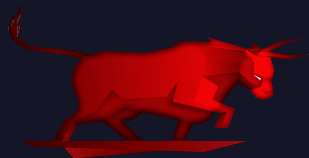


North



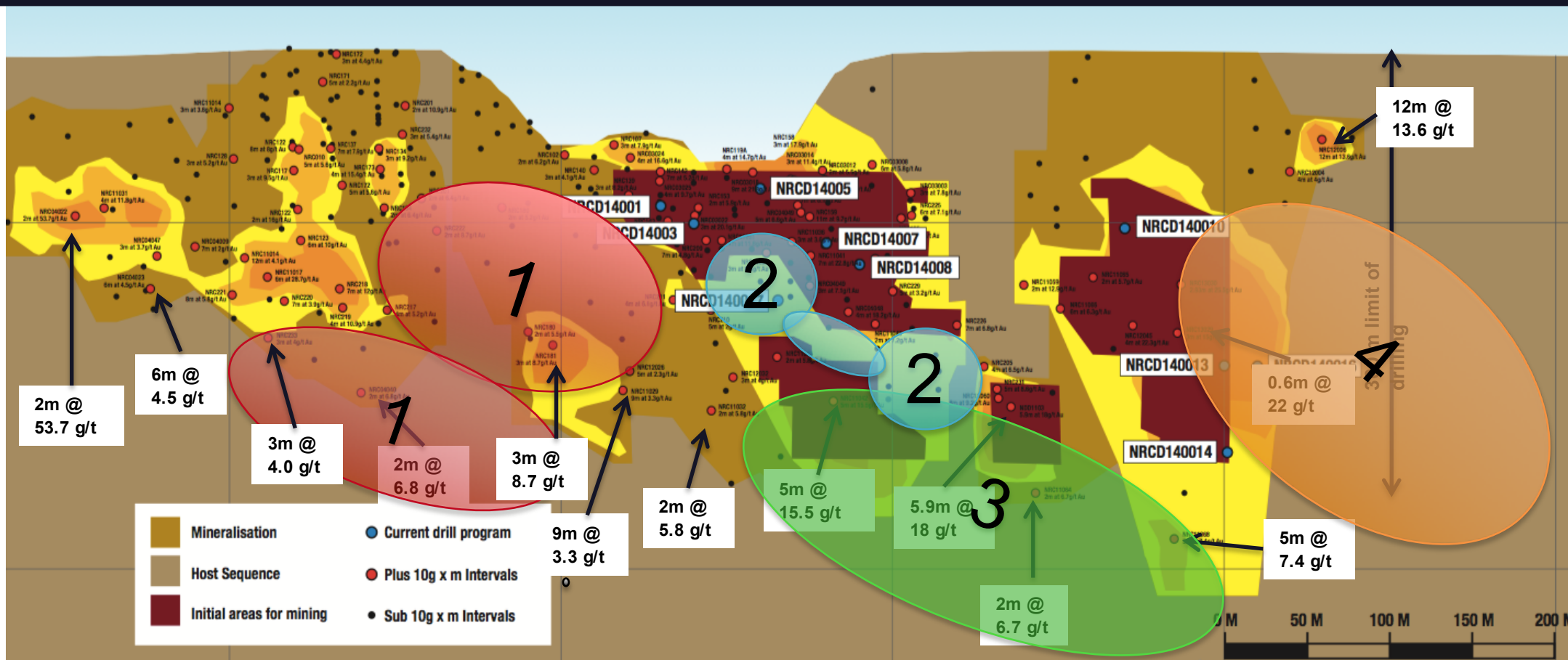
Nicolsons Resource from South to North

Nicolsons Resource from East to West



PANTORO

Drilling to commence early 2016



A number of potential additional loads have already been intersected by development at Nicolsons – all providing upside potential to the existing reserve



Rowdies and Wagtail

Lies between 1km and 2 km south of Nicolsons.

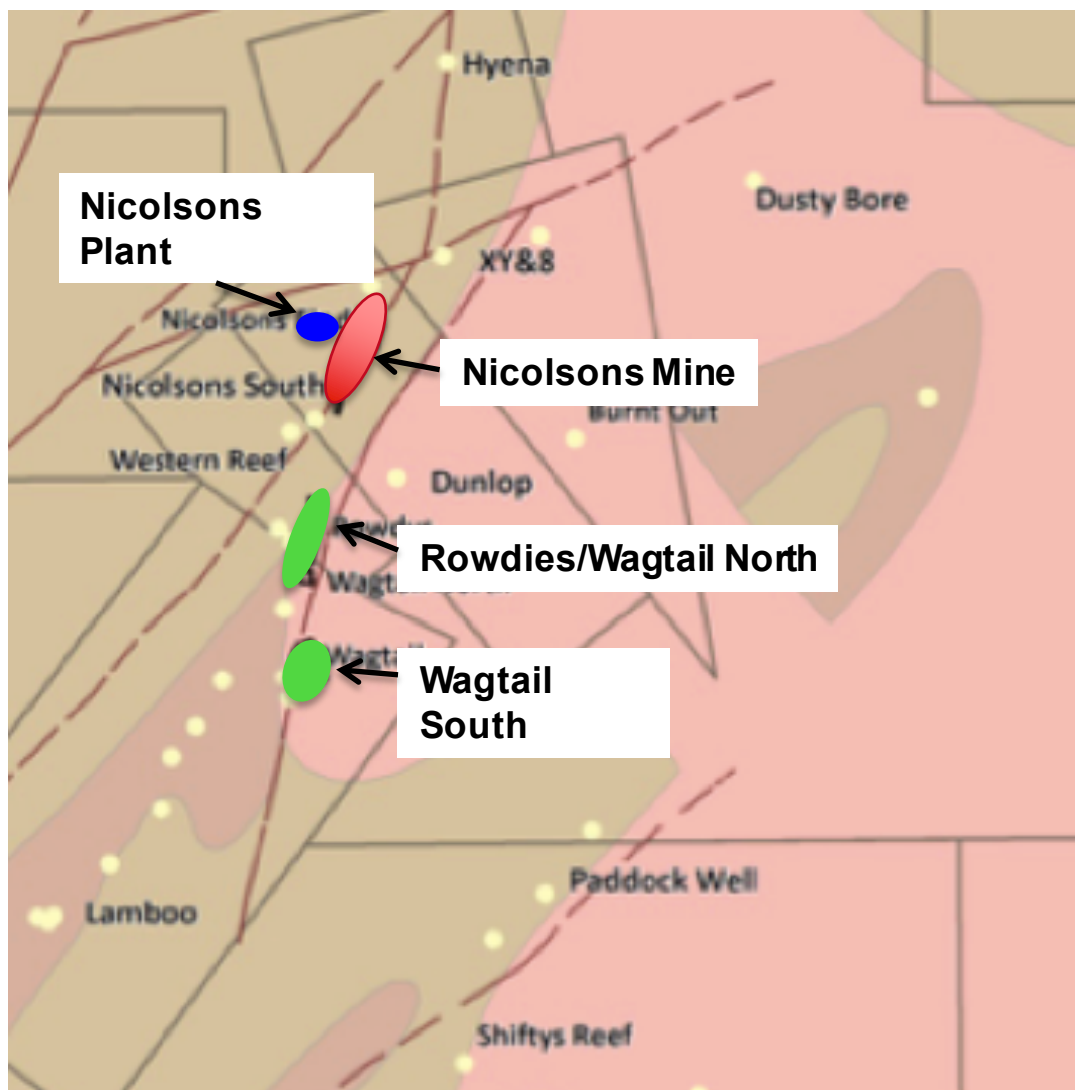
Known mineralisation over 800m strike length.

A number of very high grade drill intercepts similar to Nicolsons those seen at Nicolsons.

Immediate open pit opportunity, with potential for an additional high grade underground mine to follow.

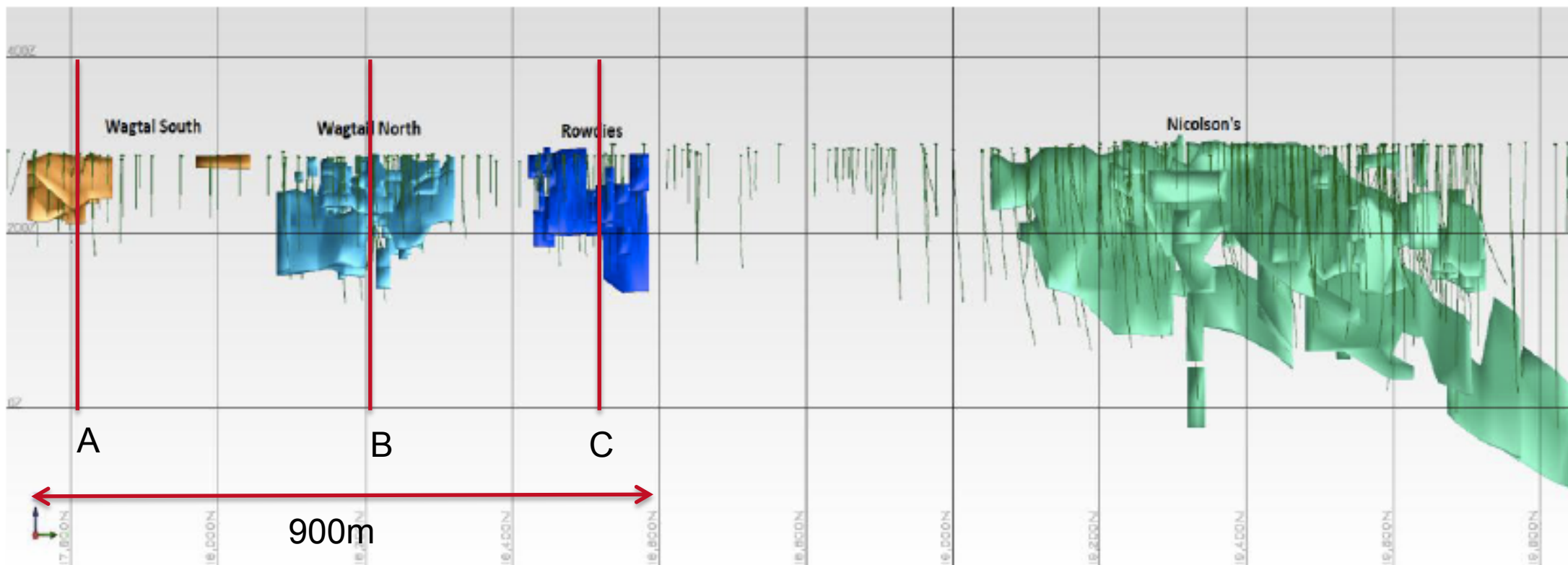
Initial planning underway. Intention to commence mining in first half of 2016 following drilling, design and feasibility work.

Numerous additional targets within 5 km radius.





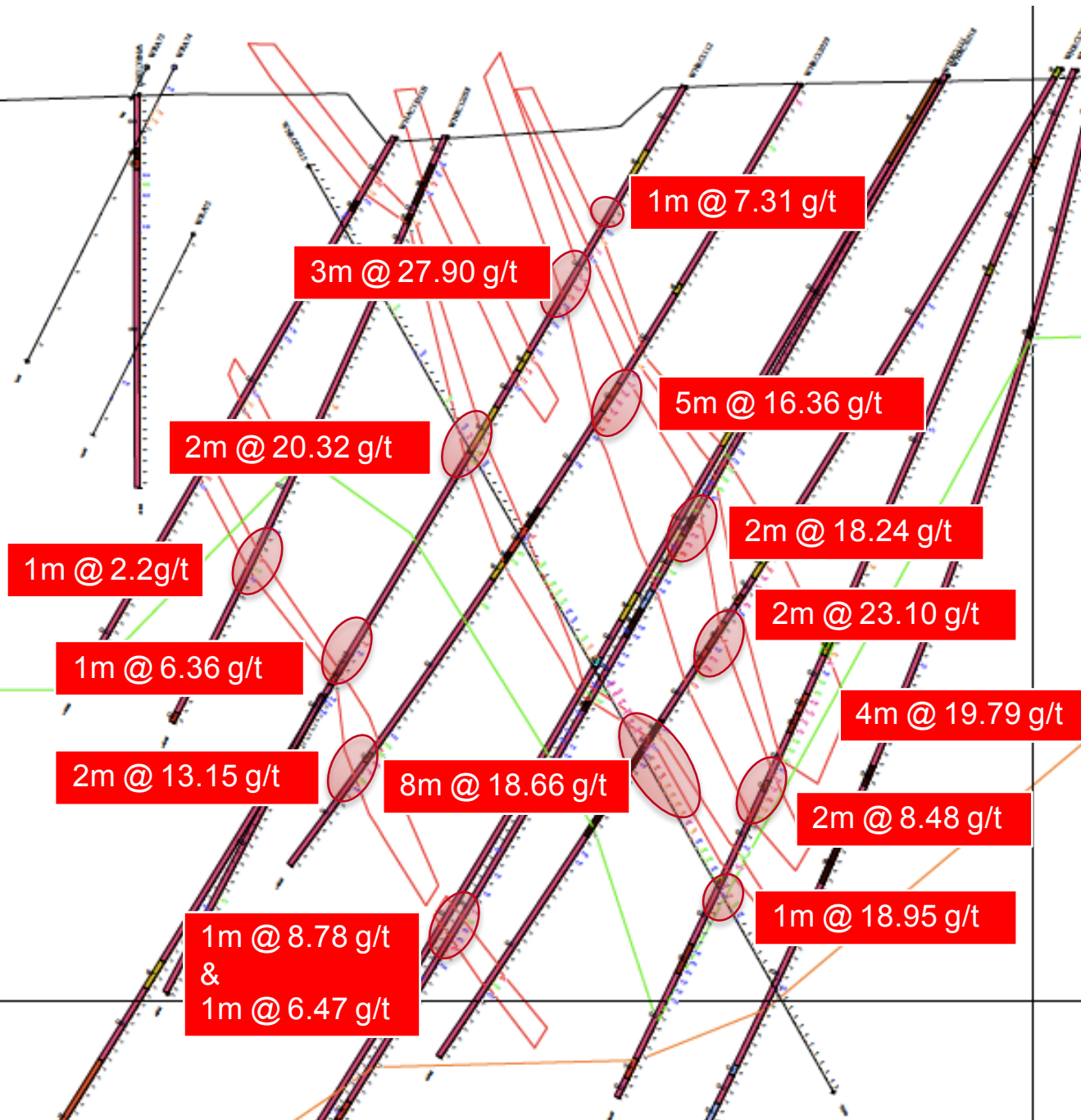
Rowdies and Wagtail



Following Sections:

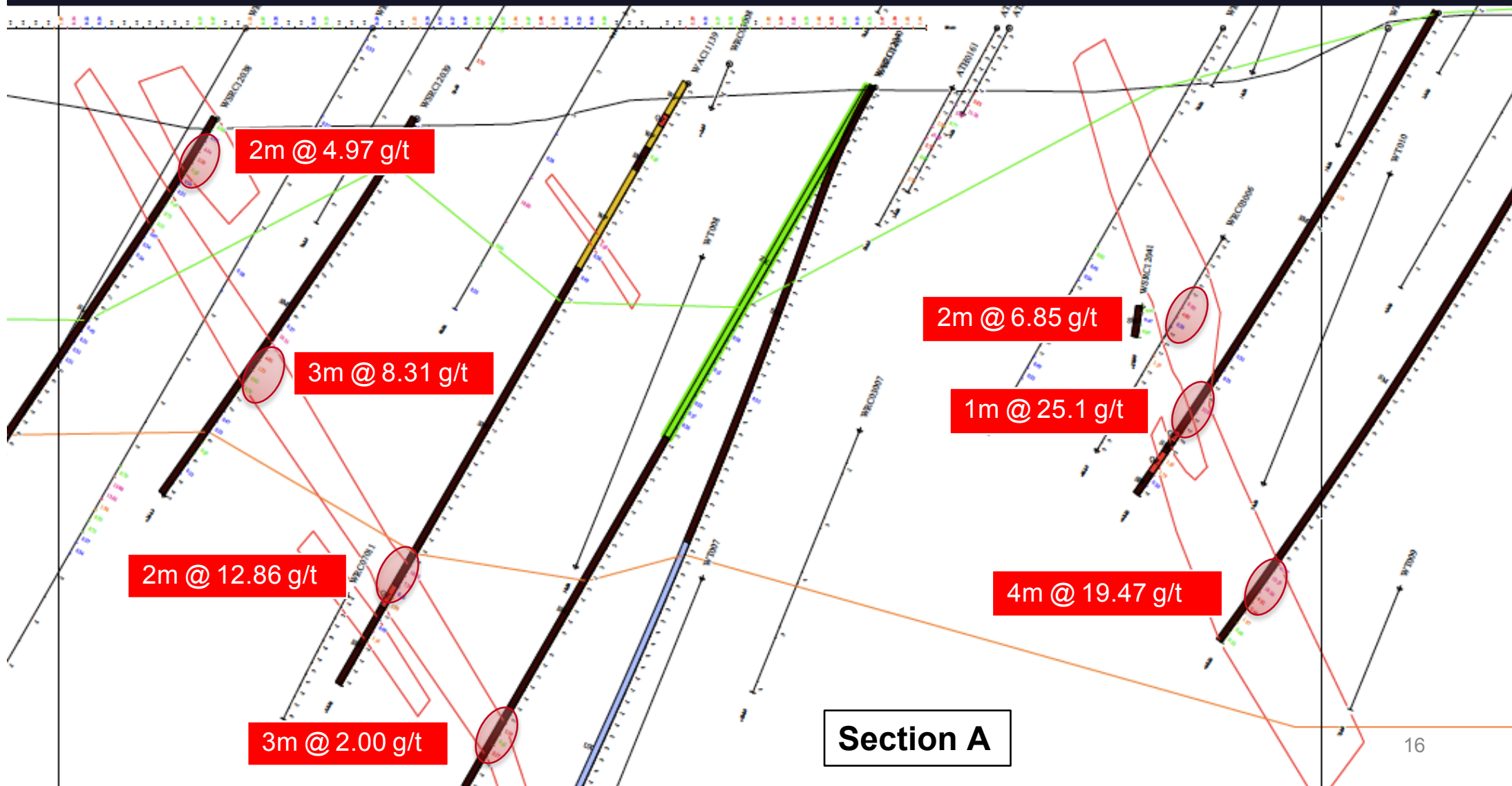
- Results shown are high grade intercepts only taken from existing data;
- Majority of drilling is RC, some air core, no diamond

Section B



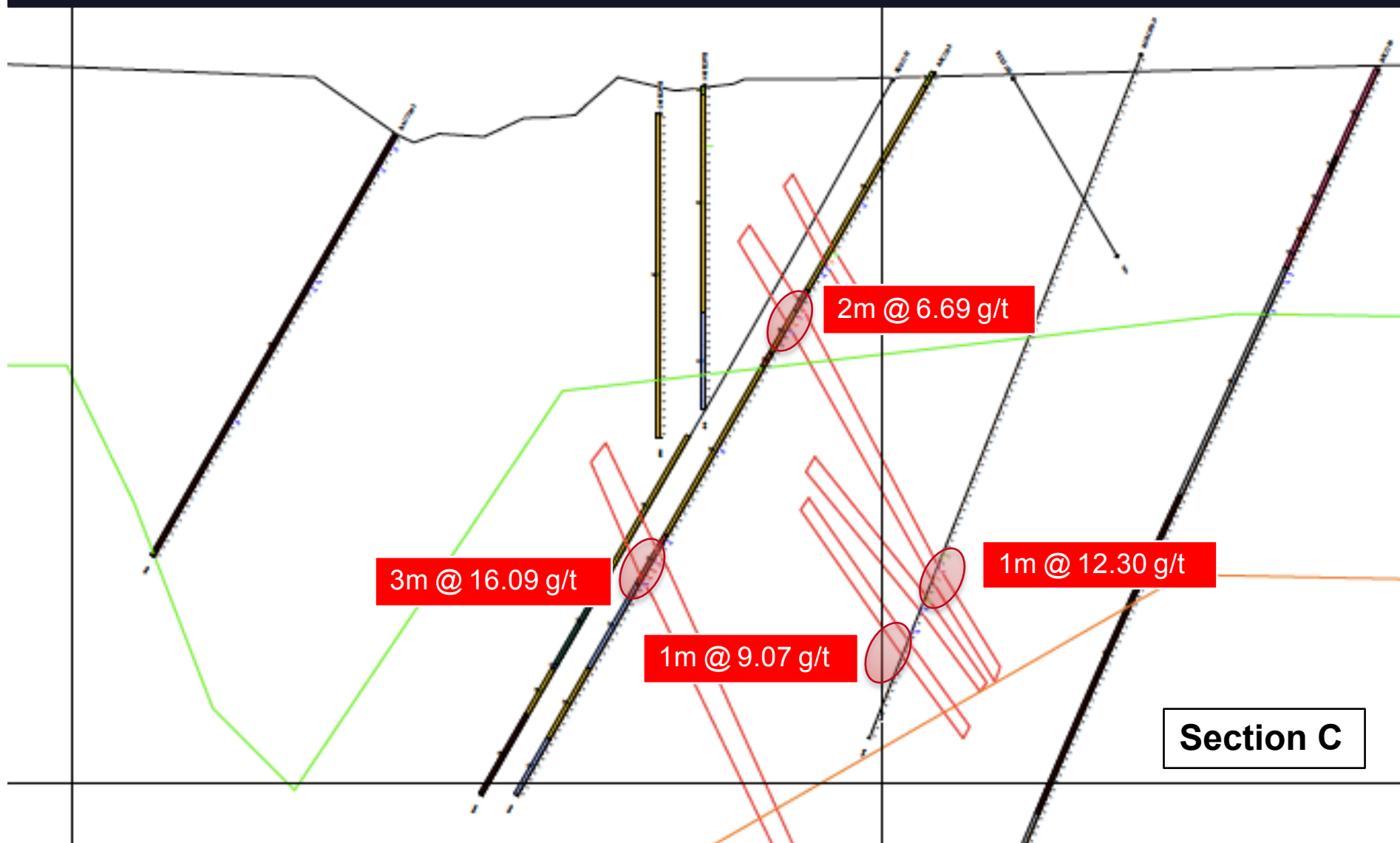


Rowdies and Wagtail



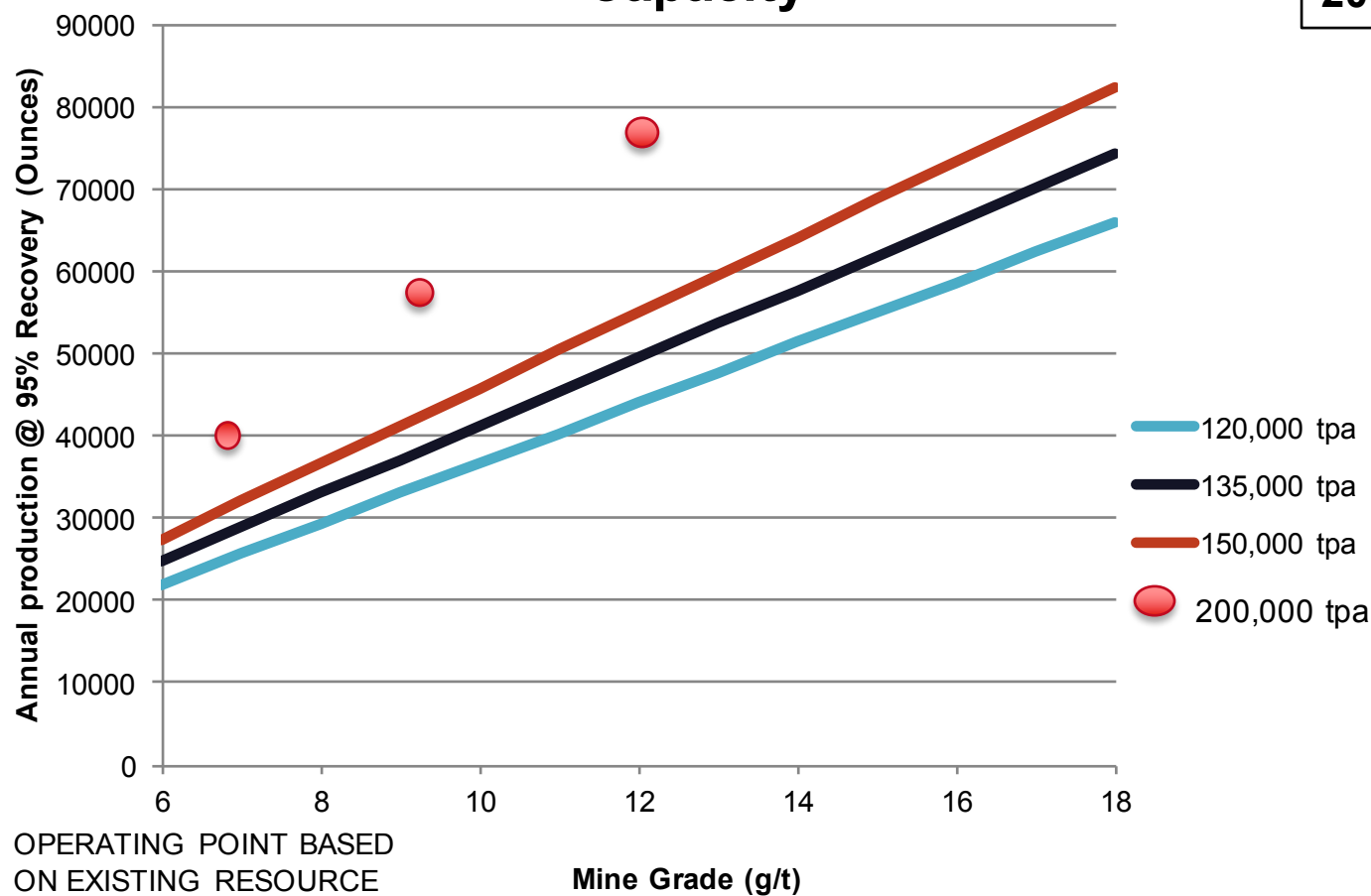


Rowdies and Wagtail



Nicolsons Plant Current Production Capacity

Plant is readily expandable to 200,000 tpa + when ore is available



OPERATING POINT BASED
ON EXISTING RESOURCE
AND FEASIBILITY STUDY



Rationalised Land Holding

- All project areas outside of the Garaina Project and Widubosh (ML457) JV relinquished.
- Lae office is closed. In country matters managed by director David Osikore.

Garaina Project provides blue sky opportunity for the company

- Terminated Farm-out agreement with MGL Limited in April 2015.
- Strong interest from other parties.
- Continued to consolidate project area around Garaina Project.

ML457 still provides opportunity

- Mining lease extended for 20 years.
- Negligible holding costs.





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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 Statements

The information in this report that relates to exploration and mineral resources is based on information compiled by Mr. Ben Pollard (B.Sc. Mineral Exploration and Mining Geology) MAusIMM who is a consultant to Pacific Niugini Limited. Mr. Pollard 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 described by the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Pollard consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mineral 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. Cmrlec 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 described by the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Cmrlec consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.